Exploring the Key Marketing Elements that Shape Brand Awareness in Service-Oriented Sector

Izmayani Sa'adin1, Hazliza Haron2, Nursaadatun Nisak Ahmad3, Hafini Suhana Ithnin4, Johra Kayeser Fatima5

* Corresponding Author

1 Department of Business and Management, Universiti Teknologi MARA Perak Branch, Malaysia
2 Department of Business and Management, University Teknologi MARA Perak Branch and Arshad Ayub Graduate Business School, Malaysia
3 Faculty of Business and Management, Universiti Teknologi MARA Puncak Alam Campus, Malaysia
4 Department of Business and Management, Universiti Teknologi MARA Perak Branch, Malaysia
5 Canberra Business School, University of Canberra, Australia

izmayani@uitm.edu.my, hliza457@uitm.edu.my, nursa040@uitm.edu.my, hafinisuhana@uitm.edu.my, Johra.Fatima@canberra.edu.au
Tel: 019-4326546

Abstract

Marketers employ various factors to create brand awareness. Small businesses in service industry encounter challenges in attracting consumers and adapting to market competition, contributing to the factors leading to their struggles. The purpose of the paper is to elaborate on the relationship between social media marketing, advertising, price, and product towards brand awareness. A quantitative method was used and research data was obtained via questionnaires. Purposive sampling method was applied and a total of 125 sample sizes of restaurant consumers in Perak were collected. The study findings indicated a significant and positive influence of all the variables predicting brand awareness.

Keywords: Brand awareness; marketing elements; food and beverages; service industry

1.0 Introduction

The dynamic economic landscape has led to substantial changes in how businesses adapt and customize their strategies to align with the constantly shifting trends in consumer spending. Specifically, industries with solid service orientation, such as the food sector, have experienced significant transformations in response to these evolving consumer behaviors. Businesses operating in the food sector must focus on delivering high-quality products and services. In 2022, the sector within Malaysia's food service industry generated an impressive revenue of RM80.9 billion and is projected to maintain a Compound Annual Growth Rate (CAGR) exceeding 6% from 2022 to 2027. Notably, this sector experienced a downturn from 2019 to 2022, mainly attributable to pandemic-related operational constraints imposed on restaurants, significantly affecting the industry. The Covid-19 pandemic had a significant impact on brand awareness in...
several ways. The pandemic led to dramatic shifts in consumer behavior. With lockdowns, restrictions, and social distancing measures in place, people spent more time online, and e-commerce saw a significant surge. Besides that, consumers paid close attention to how brands responded to the pandemic. Brands that were perceived as insensitive or opportunistic saw damage to their reputation. It's important to note that the impact of the pandemic on brand awareness varied depending on the industry and the specific strategies employed by each brand. Nevertheless, there was a recovery in the number of transactions after the relaxation of restrictions and the reopening of international borders in 2022 (Global Data, 2023).

According to Razak (2019), the energetic economic environment has resulted in significant alterations in how businesses respond and tailor their strategies to align with the ever-changing patterns of consumer spending. In particular, the service-oriented industry, such as the food sector, has undergone notable transformation in response to these changing behavioral trends. Consumers are selecting brands based on their level of awareness and consciousness. In addition, marketers employ various factors to create brand awareness. Within two years, 3.5 percent of small and medium-scale enterprises in Malaysia experienced failure, while 54 percent cease operations within four years.

As widely recognized, brand awareness plays a significant role in influencing consumer choices, market performance, marketing mix, and the overall value of a brand. Furthermore, brand awareness has emerged as a focal point in marketing research, attracting significant attention (Hollebeek et al., 2014). Recently, the increasing awareness among consumers has led them to prefer to purchase products from brands they are familiar with and favor. Consequently, businesses aiming to outperform their competitors must strive to cultivate consumer affection towards their products and brands.

Marketing elements like social media, price, advertising, and products play a significant role in shaping brand awareness. They are crucial tools that businesses can use to create, maintain, and strengthen their brand recognition and reputation (Wang et al., 2013). Therefore, this paper reviews the marketing elements that shape brand awareness in a service-oriented sector. The purpose of the paper is to elaborate on the relationship between social media marketing, advertising, price, and product towards brand awareness.

2.0 Literature Review

2.1 Brand Awareness

According to Sasmita & Mohd Suki (2015), brand awareness encompasses how consumers link a brand with the specific product they intend to possess. Brand awareness substantially influences consumer decision-making, as consumers often utilize it as a decision shortcut, thereby aiding in brand equity management based on customer perceptions (Young et al., 2013). As Kotler (2017) reported, brand awareness refers to the extent to which a customer is knowledgeable about the products or services provided by businesses or brands. Additionally, it was noted that brand awareness is also associated with a customer’s ability to remember specific details about a brand’s products or characteristics. Further, the study by Kadir and Shamsudin (2019) emphasized that brand awareness is a crucial component of customer’s purchase intentions. It was mentioned by Valentini, Romenti, Murtarelli, and Pizzetti (2018) that brand awareness can lead customers to conduct more in-depth assessments of products before deciding to make a purchase.

Previous research has demonstrated that brand awareness can transform into brand recall, wherein customers easily remember the brand when its characteristics are mentioned or referred to (Chakraborty, 2019). Brand awareness also encompasses recognizing specific qualities of the products being offered. Customers become aware of the benefits, features, and advantages business organizations present to the market (Valentini et al., 2018). A high level of brand awareness can result in top-of-mind awareness, where customers consistently associate the brand with its distinctive features, setting it apart from competing products in the market.

2.2 Social Media Marketing and Brand Awareness

Nowadays, social media usage is widespread and continues to grow globally. As of 2023, approximately 4.48 billion people are using social media worldwide (Dean, 2021). In addition, social media has become an integral part of everyday life for many people. A study on the meanings of social media use in everyday life found that social media is used for filling empty slots, everyday transformations, and mood management (Bengtsson & Johansson, 2022).

Not only that, but social media has also influenced people in doing marketing. Social media marketing is the use of social media platforms and websites to promote products and services, engage with customers, and reach new audiences (Karimi & Naghibi, 2015). It has become an essential component of marketing strategies for businesses of all sizes. Karimi & Naghibi (2015) also mention several benefits of social media marketing that impact Small and Medium Enterprise (SMEs), such as building awareness, reduced marketing costs, and increased brand exposure. Thus, the following hypothesis is suggested:

H1: Social media marketing positively influences brand awareness.

2.3 Advertising and brand awareness

Advertising is the link between sellers and buyers. It's not just about sharing product information but also trying to convince people to act based on logic or emotion. In short, advertising doesn’t stop at giving information; it aims to persuade people to do something or think a certain way. It’s part of the marketing mix, working alongside product, price, distribution, and personal selling to achieve marketing goals (Sawant, 2012). Advertising has a significant impact on market awareness. Economic propaganda (advertising) promotion employs a range of media outlets like TV, radio, newspapers, billboards, the Internet, and more. Through these diverse channels, businesses influence consumer perception of their brand, disseminate information about themselves and their products, educate consumers, establish a brand identity, and achieve similar goals (Domazet et al., 2017). Thus, the following hypothesis is suggested:
H2: Advertising positively influences brand awareness.

2.4 Product and brand awareness

A product is anything that is offered for sale or provided to fulfill a need or want. According to most contemporary marketers, a product is the combination of both the tangible and emotional satisfactions that a buyer experiences upon making a purchase (Miracle, 2015). The characteristics of a product can significantly influence market awareness. Research conducted by Lei (2022) stated that product characteristics such as complexity, symbolism, and satisfaction can directly affect how actively consumers participate in brand communities. Linking product characteristics with consumers’ willingness to participate in communities can help scholars understand why it is easy for some brands to utilize communities for marketing while it is hard for others (Lei, 2022). Thus, the following hypothesis is suggested:

H3: Product positively influences brand awareness.

2.5 Price and brand awareness

Price plays a crucial role for consumers when deciding to buy a product or service. This is particularly important for everyday essentials like food and beverages, where consumers are highly attentive to the cost involved (Novansa & Ali, 2017). Moreover, the better consumers think a brand is, the more they tend to believe its price is high. Price premium indicates a brand's capability to charge a higher price compared to its competitors. However, a study conducted by Chattopadhyay et al. (2010) mentioned that there is no relationship between price and brand awareness. Thus, the following hypothesis is suggested:

H4: Price positively influences brand awareness.

3.0 Methodology

In this study, the cross-sectional technique was employed because it allows the researcher to use a literature review on brand awareness, pilot experiments, and questionnaires as the primary procedure for collecting survey data (Sekaran, 2014). Due to organizational secrecy, the management was unable to offer a list of personnel for this study, hence a purposive sampling strategy was adopted. As a result, the researcher can't select respondents at random. Furthermore, the total number of respondents or study samples included in this research is 125 people from the Perak towns of Seri Manjung and Kampar. In addition, the Roasoft Calculator method was employed by the researcher to estimate the suitable sample size for the study.

3.1 Questionnaire

A questionnaire was distributed to respondents who had purchased food from 21 Grilled Cafe. These respondents are known as frequent patrons since they interact with the café regularly. The researcher was present at the cafe and distributed questionnaire sheets to customers who were present at the time. This respondent then proceeded to answer all the questionnaires.

This strategy of gathering data from consumers who have direct experience with the cafe is beneficial. By engaging the respondent personally, the researcher verified that all questions were thoroughly and accurately addressed. The answers to this questionnaire can then be used to examine customers’ viewpoints and experiences with 21 Grilled Cafe. The respondents completed and returned all the given surveys, yielding a 92% return rate. The sample size is adequate for inferential statistics data analysis (Cresswell 2018; Sekaran & Bougie 2014). The questionnaire consists of a series of statements designed to elicit thoughts and feelings regarding 21 Grilled Cafe. The questionnaire asks respondents to rate their level of agreement or disagreement with each item on a scale of 1 to 5, with 1 representing "Strongly Disagree" and 5 representing "Strongly Agree".

There are various sections to the questionnaire such as: Part 1: A. Social Media Marketing; this section focuses on interactions with the cafe's social media presence, desire to share information about it, and evaluation of the cafe's Instagram content and search possibilities.

Apart from that, section B is regarding customer engagement; this is where the customer will describe their level of engagement and attachment to the cafe. Statements address such focus, time spent, emotional connection, excitement, and intentions to learn more about and engage with the cafe. Then, section C is for advertising. This part investigates how advertisements influence customer’s purchase decisions. It comprises assertions about advertising’s impact on sales, information delivery, and its capacity to reach and influence decisions.

Besides that, section D is regarding price. In this section, customers will express their thoughts on the cafe’s pricing strategy. Statements emphasize the cafe's prices’ affordability, competitiveness, and perceived value, as well as the attractiveness of specials and discounts. Lastly, section E for café placement. This part addresses customer’s thoughts on the cafe's physical location and visibility. It includes statements praising the cafe's location's convenience, cleanliness, and visibility. Last but not least, section F is for Product: This is where customers will express their thoughts about the cafe's offerings. Statements address the company’s product popularity, the relevance of product information, the decision-making process, and the importance of packaging.

While in Part 2, consists of sections A and B. Section A, is Brand Awareness: This component assesses the customer’s understanding of the cafe’s brand. Statements address the brand's memory, distinctiveness from competitors, and use of social media for brand promotion. Section B is for intention to purchase. This section focuses on their decision to purchase at the cafe. Statements address such as suggestions, purchases, and continuation to buy from the cafe. Finally, section C purposely addresses customer's personal information. The final section collects demographic data such as gender, age group, marital status, occupation, ethnicity, income, frequency of visits to the café, and intention to return.
3.2 Analysis technique
To analyze the validity and reliability of the questionnaire data and to further test the research hypotheses, the Partial Least Squares Structural Equation Modelling (PLS-SEM) method was used. The main advantage of using this method is that it can deliver variable scores, avoid problems with small sample sizes, estimate complex models with many and manifest variables and error terms, and handle both reflective and formative measurement models (Henseler, Ringle, & Sinkovics 2009). Besides that, SEM is always followed by the model evaluation step. Model assessment is the process of using acquired data to evaluate the hypothesis stated by the structural model (Hair et al., 2017). In other words, the goal of model evaluation is to determine whether the structural model meets the requirements. The PLS-SEM approach can be used for model assessment by calculating the estimates of model parameters even though it does not provide an established global goodness-of-fit (GoF) criterion (Henseler et al., 2009).

However, the PLS-SEM approach can offer a reasonable process for model assessment. For this study, the research model is assessed using a two-step process: 1) The assessment of the measurement model and 2) the assessment of the structural model. In general, the purpose of model validation is to determine whether both measurement and structural models fulfill the quality criteria for empirical work. The following subsections discuss the guidelines used in this study to assess both the measurement and the structural model of this study. The validation of the measurement model can be established by testing its internal consistency, indicator reliability, convergent validity, discriminant validity, and multicollinearity assessment (Wong, 2013; Hair et al., 2017).

4.0 Findings
4.1 Preliminary Analysis
Table 1 illustrates the degree of constructs and the outcomes of the multicollinearity test for these constructs. The average values for the variables examined in the study vary from 5.54 to 6.17, indicating that all the variables, namely social media marketing, advertising, price, product, brand awareness, and intention to purchase, fall within the range of high (4) to very high (7) levels. Meanwhile, the variance inflation factor (VIF) among the independent variables demonstrates a minimal value of 5.0, signifying that this study’s data is devoid of significant multicollinearity issues (Hair et al., 2017). Overall, the outcomes of the constructs analysis affirm that the study’s constructs adhere to the established criteria for validity and reliability.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Min</th>
<th>Standard Deviation</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Social Media Marketing</td>
<td>5.54</td>
<td>.64</td>
<td>3.2</td>
</tr>
<tr>
<td>2. Advertising</td>
<td>5.78</td>
<td>.69</td>
<td>1.8</td>
</tr>
<tr>
<td>3. Price</td>
<td>6.03</td>
<td>.74</td>
<td>1.8</td>
</tr>
<tr>
<td>4. Product</td>
<td>5.98</td>
<td>.63</td>
<td>2.2</td>
</tr>
<tr>
<td>5. Brand awareness</td>
<td>6.17</td>
<td>.68</td>
<td>2.8</td>
</tr>
<tr>
<td>6. Intention to purchase</td>
<td>5.68</td>
<td>.69</td>
<td>2.7</td>
</tr>
</tbody>
</table>

4.2 Result of Measurement Model

The assessment model underwent evaluation through the examination of item reliability, internal consistency reliability, discriminant validity, and convergence validity (Straub, Boudreau & Gefen, 2004). In this study, the measurement model encompasses four latent
variables, namely, social media marketing, advertising, price, product, and brand awareness. The values of weighting factors and composite reliability for each construct are displayed in Table 2. All items representing individual constructs exhibit weighting values surpassing 0.70. This signifies that all constructs under investigation meet the stipulated standards for convergent validity (Fornell & Lacker, 1981; Gefen & Straub, 2005). Furthermore, the analysis indicates that each construct's items possess a composite reliability value exceeding 0.80, indicating a robust level of internal consistency. The Average Variance Extracted (AVE) values for each construct range from 0.715 to 0.855, comfortably exceeding the critical threshold of 0.50.

Table 2: Results of Items Loading, Composite Reliability, and Average Variance Extracted.

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Items</th>
<th>Item Loading (≥ 0.70)</th>
<th>Composite Reliability (≥ 0.80)</th>
<th>Average Variance Extracted (AVE) (≥ 0.50)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Social Media Marketing</td>
<td>5</td>
<td>0.783 - 0.917</td>
<td>0.922</td>
<td>0.723</td>
</tr>
<tr>
<td>2</td>
<td>Advertising</td>
<td>7</td>
<td>0.743 - 0.896</td>
<td>0.912</td>
<td>0.714</td>
</tr>
<tr>
<td>3</td>
<td>Price</td>
<td>7</td>
<td>0.855 - 0.923</td>
<td>0.944</td>
<td>0.801</td>
</tr>
<tr>
<td>4</td>
<td>Product</td>
<td>6</td>
<td>0.840 - 0.941</td>
<td>0.899</td>
<td>0.855</td>
</tr>
<tr>
<td>5</td>
<td>Brand awareness</td>
<td>8</td>
<td>0.804 - 0.902</td>
<td>0.912</td>
<td>0.715</td>
</tr>
</tbody>
</table>

Table 3 shows the findings of the discriminant validity test. This indicates that the study constructs meet the convergent validity criteria (Fornell & Lacker 1981; Henseler et al. 2009). On the other hand, HTMT values for each construct are less than the required critical values of 0.85 and 0.90. Besides, interval confidence levels also show values of less than 1 for each construct. This means that all the constructs meet the discriminant validity criteria set (Henseler et al. 2015).

Table 3: Results of Discriminant Validity Analyses

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Social Media Marketing</td>
<td>0.765</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Advertising</td>
<td>0.688</td>
<td>0.768</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Price</td>
<td>0.678</td>
<td>0.768</td>
<td>0.824</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Product</td>
<td>0.786</td>
<td>0.923</td>
<td>0.823</td>
<td>0.822</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Brand awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The findings from the structural model are presented in Table 4, revealing four significant outcomes through hypotheses testing conducted using SmartPLS path model analysis: To begin with, social media marketing exhibits a positive and statistically significant association with brand awareness (β = 0.148; p = 0.048). Similarly, advertising displays a positive and significant relationship with brand awareness (β = 0.255; p = 0.004). In addition, price indicates a positive relationship with brand awareness (β = 0.203; p = 0.034). Furthermore, there is a positive and significant correlation between product and brand awareness (β = 0.373; p = 0.000). In essence, all the hypotheses receive support from the results. The incorporation of brand awareness into the SmartPLS path model analysis contributes to 0.756 percent of the variability observed in the dependent variable.

Table 4: Results of Hypothesis 1, 2, 3 and 4

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Beta (β)</th>
<th>t-Value</th>
<th>p-Value</th>
<th>R² Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media marketing</td>
<td>0.148</td>
<td>1.985</td>
<td>0.048</td>
<td>0.756</td>
</tr>
<tr>
<td>Advertising</td>
<td>0.255</td>
<td>2.875</td>
<td>0.004</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>0.203</td>
<td>2.125</td>
<td>0.034</td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>0.373</td>
<td>3.888</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

Significant level: *p<0.05, t>1.65

In a comprehensive analysis, following the hypotheses testing, a predictive relevance assessment is conducted using the Stone-Geisser's test, which examines the Q square values as predetermined. The outcomes of the test demonstrate Q square values ranging from 0.739 (Hair et al., 2017), surpassing the zero-standard threshold (Henseler et al., 2015). Consequently, these findings substantiate the overall predictive relevance of the employed SmartPLS path model in this research.
5.0 Discussion
This paper investigated the influence of social media marketing, advertising, price, and product on brand awareness. The findings of this paper are complementary to other findings in this domain. The analysis has indicated that all the variables have a positive relationship with brand awareness. Consistent with prior research, the current study underscores the role of social media marketing, advertising, price, and product in shaping brand awareness. The development of brands is similar to the development of products and services. Particularly, sustainable innovation emerges as a crucial factor for sustained long-term success in the marketplace.

The findings from the structural model have indicated a positive relationship between the observed constructs. Therefore, how is brand awareness affecting the markets and the economy? In business-to-business markets, branding and brand awareness assume a significant role. The impact of globalization in the market is characterized by frequent changes, rendering it a challenge for companies to sustain a competitive position. Also, according to Bank Negara Malaysia in 2023, the status of the Malaysian economy expanded moderately in the second quarter of 2019 (2.9%; 1Q 2023: 5.6%), mainly by slower external demand. Domestic demand remained the key driver of growth, supported by private consumption and investment. Therefore, it can be assumed that brands are important for companies that want to compete in such turbulent markets.

As a conclusion, the COVID-19 pandemic has reduced consumers’ mobility; however, post-pandemic requires restaurant owners to re-strategize. Consumers are coping with new norms and future changes (Kirk and Rifkin, 2020). Service-oriented enterprises must digest the current situation and initiate a business growth pattern (Prideaux et al., 2020). Social media has been acknowledged for the value it created, e.g., transactional value, media value (Kaplan & Haenlein, 2010), informational value (Nam & Kannan, 2014), relational value (Choudhury & Harrigan, 2014), and strategic value (Cartwright et al., 2021). Restaurant owners should think about hiring permanent staff to handle their social media pages so that total concentration and responses to inquiries posted about the products sold can be attended. Social media marketing practices such as Instagram pages, Facebook, TikTok, and even blogs will be the intermediary platforms companies must fully utilize to attract consumers. Food demonstrations, testimonials, price reductions, and new menus should be used in the advertising activities. Future research could look into the different purchase-related effects and the rank of influence they give to the companies. Another to consider is customer satisfaction should be added as a mediating construct. This would be more view of how a brand as a whole affect’s potential consumers.

Acknowledgments
Due acknowledgment is directed to Universiti Teknologi MARA for the research project funding from Geran Penyelidikan Strategic Research Partnership (SRP). The authors would also like to thank Twenty-One Grilled Sdn Bhd for the support and cooperation towards the success of the overall research project.

Paper Contribution to Related Field of Study
Initially, businesses can gain fresh perspectives on the significance of brands. The research offers insights into the particular brand awareness. The findings suggest that social media marketing, advertising, price, and product play a role and have an impact on markets and economic growth. This research has contributed to the existing literature in the domain of brand awareness.

References


