

A Study the Effect of Brand Innovation on Consumer Decision in Catering Industry

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ABSTRACT Catering industry in Taiwan is gradually concerned internationally, presenting the boom of Taiwanese diet. The increasing competitors also have local catering be popular and continuously develop. This study aims to discuss the effects of Brand Innovation on Consumer Decision. By distributing and collecting questionnaires on-site, 300 copies of questionnaires were redistributed to the consumers of Howard Taipei, and 194 valid copies are retrieved, with the retrieval rate 65%. Each retrieved copy is regarded as a valid sample. The research results show partially positive effects of Brand Innovation on Information Input, Information Processing, Decision-Making Process, and Situational Factors in Consumer Decision and notable effects of demographic variables on the correlations between Brand Innovation and Consumer Decision. The research results are expected to provide some suggestions and reference for catering businesses which intend to practice Brand Innovation management.

INTRODUCTION

According to 2008 Annual Survey Report on Visitors, Tourism Bureau, R.O.C., indicated that dishes were the major factor in attracting international tourists visiting Taiwan, especially the visitors from Japan, Hong Kong, Korea, and Macao (Tourism Bureau R.O.C. 2009). Apparently, the image of Taiwanese food is recognized internationally. When the government actively develops tourism in Taiwan, the tourism development of Taiwanese food cannot be neglected the potential. The connection of food and specific nations or regions could become a powerful tourism marketing instrument (Richards 2002; Horng and Tsai 2010). In order to expand personal brands, a lot of catering businesses would enhance the corporate business with brand strategies. Apparently, brand is a precious asset for a catering business, as it could provide values beyond products or services for the catering business and the customers. Brand strategies therefore could affect the key financial and

marketing abilities of a catering business because of the brand extension or the match with other enterprises (Aaker 1991). In this case, effective brand management becomes a competitive advantage for the emphasis of brand combination; the effects on Consumer Decision are worth discussing. The operation of brand could reinforce corporate image and product positioning, and the corporate culture and brand value could deliver distinct value added to the consumers and establish an unquestionable judgment in their mind. For this reason, brand advantage positioning could be differentiated the marketing activities and accumulated the brand equity. Innovation, as the base of value, is necessary to sustain the high brand equity in the market. Nevertheless, innovation is unpredictable but the innovation of brand products is necessary, as the success or failure of Brand Innovation in a catering business could affect the overall benefits. It therefore induces the research interest in the factors in Brand Innovation.

Literature Review

Brand Innovation

Grant (2006) defined Brand Innovation as a brand, similar to a story, being the key in the drive of cultural logic, establishing continuity and association and allowing a new concept be-

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ing added to a brand benefit and existing in human's mind. He emphasized that Brand Innovation, contrasting to the establishment of traditional brands, was the image to propagate a brand, simply applying favorable innovation ideas to the establishment of a brand.

In face of various product items, the establishment of brand is not enough for modern consumers, as they would be paralyzed the perception and freshness of a brand in a long period of time. Brand innovation aims to interact with consumers through the innovative ideas; such delivery, directly or indirectly, is the optimal promotion of a brand and further forms the attitudes and opinions toward the brand idea. Grant (2006) therefore proposed the major conception of Brand Innovation (quoted from Chou 2010).

(1) New Traditions

A brand becomes a part of daily life and affects the behaviors and attitudes of people, giving a new living style for the consumers and allowing people desiring to possess such a leading brand.

(2) Belief Systems and Time

Belief is the perceived brand characteristics of people who trust the experts and are educated the use of new products for the enjoyment. Time, an enormous topic in culture, could be responded to the initial point of various brand ideas. In this study, it refers to the time domain related to culture, which presents certain correlations with brand concepts.

(3) Herd Instincts

A brand idea utilizes the collective form shared between people and culture for reinforcing the interaction between an enterprise and the customers through group experiences.

(4) Connecting and Control

Connection is the link between a brand and the knowledge structure of the consumers who might regard the brand presenting the characteristics of some individuals and being able to develop leverage effect and rewrite social relationship and the organization in social networks. Control refers to the instant experiences which

could be mastered in a brand and builds up the competition for the dynamic chase game among consumers. A powerful brand could affect and control people with various opinions.

(5) Luxury and Provocative

Luxury is increasing in dual-earner families in the modern society. Insufficient time for dealing with problems results in confirming ideal living styles and desired wishes with overall, rich, monopoly, and alien new concepts. Provocative allows acquiring sensory stimulations through creative brand promotion to remove people's repression towards modern life so that they look after the basic competence of humans, such as sex desire and invasive movement, utilize materials of social formation to remember and induce individualized psychology, as to deeply write in the brain.

Consumer Decision

Kotler (1986) and Wilkie (1994) pointed out consumer behaviors as a behavior research on an individual and a group selecting, purchasing, and dealing with products and services in order to satisfy personal demands and desire. Blackwell et al. (2006) indicated that consumer behaviors were the factor in purchase decision when purchasing products or services. In this case, a consumer would look for solutions after confirming a problem and select the optimal program for the purchase. Kotler et al. (1996) regarded consumer behaviors as an inner operation of a consumer; with external stimulations, a consumer would process it internally to generate the purchase decision. Marieke (2010) considered consumer behaviors as the process of people selecting and purchasing products or services to satisfy the demands or desire. Chien (2010) defined consumer behaviors as the direct behaviors related to product and service acquisition, purchase, use, and processing, including the decision-making process affecting and determining such behaviors; therefore, it was a dynamic and continuous process, a purchase not for selling, or the decision-making process or movement for the use of products and services. Consumer behaviors were a complex decision-making process, in which consumers would integrate the previous experiences and external information and present Consumer Decision after the analy-

sis and judgment. Consequently, Consumer Decision referred to the behavior-decision process of looking for answers and evaluating and selecting options after being aware of the required problem (Mowen and Minor 2001). Schiffman and Kanuk (2004) also pointed out EKB model as the broadly applied consumer behavior in the research on consumer decision-making process. The model was classified into four parts (Chien 2010).

- (1) *Information Input*: The information stimulus received by the consumers came from the marketing activities of enterprises and the external data collection of a consumer for solving problems.
- (2) *Information Processing*: This included the stages of presentation, notice, understanding and awareness, acceptance, and information reservation of consumers.
- (3) *Decision-Making Process, the Core of the Model*: The purchase decision of a consumer contained the stages of need cognition, intelligence search, program evaluation, purchase, and post-purchase result.
- (4) *Situational Factors*: A consumer was affected by various factors in the decision-making process.

Correlations between Brand Innovation and Consumer Decision

An enterprise tends to present the value with Brand Innovation in order to pursue profits and satisfy the emotional respect. Brand Innovation, the combination of high-quality and sensory-beauty products and services, could enhance a consumer's brand awareness and further affect Consumer Decision (Vigneron and Johnson 2004; Kapferer 2005). In order to attract consumers by leaving an irremovable impression and Brand Innovation, identity management is proceeded to look for a powerful difference of the brand, Brand Innovation is applied to structuring the conceptual system, and sensory and emotional strategies are used for influencing the consumer decision attitudes and behaviors (Schmitt 1999). Grant (2006) proposed that Brand Innovation enhancing Consumer Decision depended on the characteristics of personalization, competitiveness, and phase. Powerful Brand Innovation offered consumers with a controlled world with secure nets. For instance, globalized Brand Innovation allowed consumers presenting stron-

ger consumption motives and further enhancing the purchase decision attitudes and behaviors (Hinz and Spann 2008).

Research Hypothesis

Based on the above correlations, the following hypotheses are proposed in this study.

- H1: Brand Innovation presents significantly positive effects on Information Input in Consumer Decision.
- H2: Brand Innovation shows remarkably positive effects on Information Processing in Consumer Decision.
- H3: Brand Innovation reveals notably positive effects on Decision-Making Process in Consumer Decision.
- H4: Brand Innovation appears significantly positive effects on Situational Factors in Consumer Decision.
- H5: Gender presents effects on the correlations between Brand Innovation and Consumer Decision.
- H6: Age shows effects on the correlations between Brand Innovation and Consumer Decision.
- H7: Educational Background reveals effects on the correlations between Brand Innovation and Consumer Decision.
- H8: Disposable Income appears effects on the correlations between Brand Innovation and Consumer Decision.

RESEARCH METHODOLOGY

Conceptual Framework

Summing up the above literatures, the conceptual framework (Fig. 1) is drawn up to discuss the correlations among demographic variable, Brand Innovation, and Consumer Decision.

Research Samples and Data Analysis

Howard Taipei, located on the forested Renai Road, was assessed as a five-star international hotel in 2011 by Tourism Bureau. Since the opening in 1984, Howard Taipei has insisted on stable management and rich professional knowledge, devoted to the optimal services with five-star accommodation and catering, and provided diverse products for domestic consumers. Total 606 rooms furnished with redwood present the

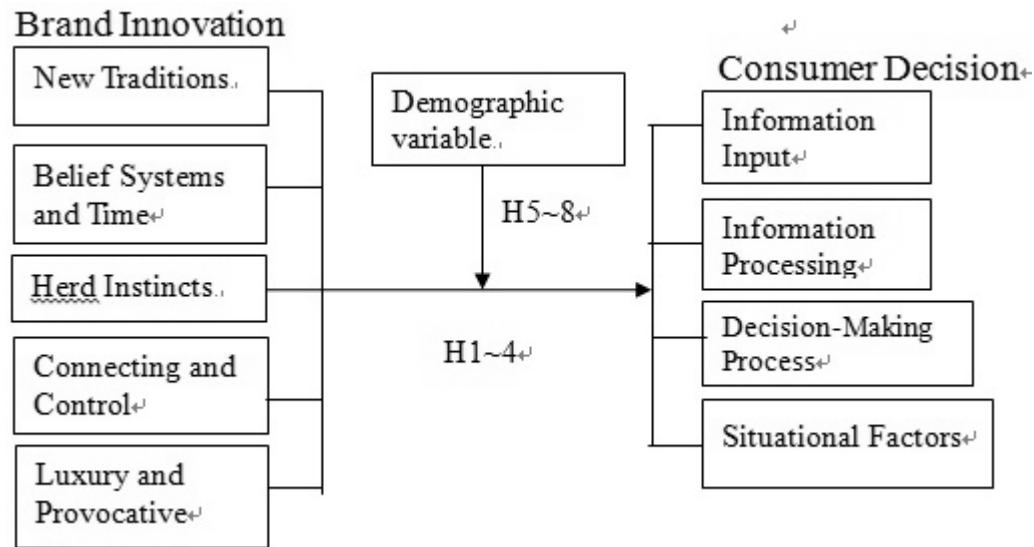


Fig. 1. Conceptual framework of this study

quiet atmosphere in a busy environment. The service team makes the customers be as comfortable as being at home, and ten restaurants for eastern and western dishes are included in the hotel. Howard Taipei was also identified ISO 22000 and HACCP in 2009 when it was the first hotel with local brand receiving the identifications in Taiwan. Each guest is offered high-quality meals. Howard Taipei therefore is selected as the research subject. With on-site questionnaire distribution and collection, the consumers of Howard Taipei are distributed 300 copies of questionnaires. Total 194 valid copies are retrieved, with the retrieval rate 65%, where each retrieved copy is regarded as a valid sample. The data are analyzed with SPSS, and Factor Analysis, Reliability Analysis, Regression Analysis, and Analysis of Variance are utilized for testing the hypotheses.

Analysis Approach

Regression Analysis is applied to understanding the correlations between Brand Innovation and Consumer Decision; and, Analysis of Variance is further utilized for discussing the effects of demographic variables on the correlations between Brand Innovation and Consumer Decision.

RESULTS

Factor Analysis

Brand Innovation was referred to the dimensions and questions proposed by Chou (2010). With Factor Analysis, five factors of New Traditions (eigenvalue=2.463, $\alpha=0.81$), Belief Systems and Time (eigenvalue=2.075, $\alpha=0.83$), Herd Instincts (eigenvalue=1.846, $\alpha=0.80$), Connecting and Control (eigenvalue=1.544, $\alpha=0.87$), and Connecting and Control (eigenvalue=1.323, $\alpha=0.85$) were extracted. The covariance explained achieved 82.731%. Consumer Decision was referred to the dimensions and questions proposed by Chien (2010). With Factor Analysis, four factors of Information Input (eigenvalue=2.215, $\alpha=0.89$), Information Processing (eigenvalue=1.942, $\alpha=0.88$), Decision-Making Process (eigenvalue=1.633, $\alpha=0.86$), and Situational Factors (eigenvalue=1.291, $\alpha=0.82$) were extracted. The covariance explained reached 78.438%.

Effects of Brand Innovation on Consumer Decision

Effects of Brand Innovation on Information Input in Consumer Decision

With Regression Analysis to test H1, Table 1, New Traditions ($\beta=1.842$, $p<0.05$), Belief Sys-

tems and Time ($\beta=1.622$, $p<0.05$), Connecting and Control ($\beta=2.233$, $p<0.01$), and Luxury and Provocative ($\beta=1.736$, $p<0.05$) appeared significant effects on Information Input in Consumer Decision that H1 was partially supported.

Effects of Brand Innovation on Information Processing in Consumer Decision

With Regression Analysis to test H2, Table 1, New Traditions ($\beta=1.679$, $p<0.05$), Belief Systems and Time ($\beta=1.784$, $p<0.05$), Herd Instincts ($\beta=1.871$, $p<0.05$), and Connecting and Control ($\beta=1.934$, $p<0.05$) showed remarkable effects on Information Processing in Consumer Decision that H2 was partially supported.

Effects of Brand Innovation on Decision-Making Process in Consumer Decision

With Regression Analysis to test H3, Table 1, New Traditions ($\beta=2.117$, $p<0.01$), Belief Systems and Time ($\beta=1.975$, $p<0.05$), Herd Instincts ($\beta=1.712$, $p<0.05$), Connecting and Control ($\beta=2.168$, $p<0.01$), and Luxury and Provocative ($\beta=1.525$, $p<0.05$) presented notable effects on Decision-Making Process in Consumer Decision that H3 was supported.

Effects of Brand Innovation on Situational Factors in Consumer Decision

With Regression Analysis to test H3, Table 1, New Traditions ($\beta=1.838$, $p<0.05$), Belief Sys-

tems and Time ($\beta=1.996$, $p<0.05$), Herd Instincts ($\beta=2.031$, $p<0.01$), Connecting and Control ($\beta=2.415$, $p<0.01$), and Luxury and Provocative ($\beta=2.341$, $p<0.01$) revealed significant effects on Situational Factors in Consumer Decision that H4 was supported.

Moderating Effects of Background Variable

Effects of Gender on the correlations between Brand Innovation and Consumer Decision

The empirical results with Analysis of Variance, Table 2, showed remarkable effects of Gender on the correlations between New Traditions ($P<0.05$), Belief Systems and Time ($P<0.01$) and Information Input, between Belief Systems and Time ($P<0.05$), Luxury and Provocative ($P<0.05$) and Information Processing, between Herd Instincts ($P<0.01$), Connecting and Control ($P<0.05$) and Decision-Making Process, and between Belief Systems and Time ($P<0.05$), Connecting and Control ($P<0.05$) and Situational Factors that H5 was partially supported.

Effects of Age on the Correlations between Brand Innovation and Consumer Decision

The empirical results with Analysis of Variance, Table 2, revealed notable effects of Age on the correlations between New Traditions ($P<0.01$), Herd Instincts ($P<0.01$), Connecting and Control ($P<0.05$) and Information Input, between

Table 1: Regression analysis of brand innovation and consumer decision

Dependent variable → Independent variable ↓	Consumer decision							
	Information input		Information processing		Decision-making process		Situational factors	
Brand innovation	$\hat{a}$	$\tilde{n}$	$\hat{a}$	$\tilde{n}$	$\hat{a}$	$\tilde{n}$	$\hat{a}$	$\tilde{n}$
New traditions	1.842*	0.018	1.679*	0.035	2.117**	0.000	1.838*	0.019
Belief systems and time	1.622*	0.032	1.784*	0.020	1.975*	0.011	1.996*	
Herd instincts	1.147	0.351	1.871*	0.016	1.712*	0.021	2.031**	0.003
Connecting and control	2.233**	0.000	1.934*	0.013	2.168**	0.000	2.415**	0.000
Luxury and provocative	1.736*	0.022	1.065	0.422	1.525*	0.047	2.341**	0.000
F	16.583	22.616	27.824	33.425				
Significance	0.000***	0.000***	0.000***	0.000***				
R ²	0.198	0.217	0.248	0.273				
Adjusted R ²	0.021	0.027	0.036	0.041				

Note: *stands for $p<0.05$, **for $p<0.01$.

Data source: Self-organized in this study

Herd Instincts ($P<0.05$) and Information Processing, between Belief Systems and Time ($P<0.01$), Luxury and Provocative ($P<0.05$) and Decision-Making Process, and between New Traditions ($P<0.05$), Luxury and Provocative ($P<0.01$) and Situational Factors that H6 was partially supported.

Effects of Educational Background on the Correlations between Brand Innovation and Consumer Decision

The empirical results with Analysis of Variance (Table 2), presented significant effects of Educational Background on the correlations between Belief Systems and Time ($P<0.05$), Herd Instincts ($P<0.01$), Luxury and Provocative ($P<0.01$) and Information Input, between Connecting and Control ($P<0.05$), Luxury and Provocative ($P<0.05$) and Information Processing, between New Traditions ($P<0.05$), Herd Instincts ($P<0.05$), Connecting and Control ($P<0.01$) and Decision-Making Process, and between Belief Systems and Time ($P<0.05$), Connecting and Control ($P<0.05$) and Situational Factors that H7 was partially supported.

Effects of Disposable Income on the Correlations between Brand Innovation and Consumer Decision

The empirical results with Analysis of Variance, Table 2, appeared remarkable effects of Disposable Income on the correlations between New Traditions ($P<0.01$), Belief Systems and Time ($P<0.05$), Connecting and Control ($P<0.05$) and Information Input, between Herd Instincts ($P<0.05$), Connecting and Control ($P<0.01$) and Information Processing, between Belief Systems and Time ($P<0.05$), Luxury and Provocative ($P<0.05$) and Decision-Making Process, and between New Traditions ($P<0.05$), Herd Instincts ($P<0.05$), Connecting and Control ($P<0.05$) and Situational Factors that H8 was partially supported.

CONCLUSION

The research results present that brand value increases with the innovative application. For domestic Brand Innovation, the enhancement of innovation value might be the prior task for the promotion of international brand. Innovation therefore is the essential condition for brand

Table 2: Effects of background variables on the correlations between brand innovation and consumer decision

<i>Background variable</i>	<i>Brand innovation</i>	<i>Information input</i>	<i>Information processing</i>	<i>Decision-making process</i>	<i>Situational factors</i>
<i>Gender</i>	New traditions	$P<0.05$	$P>0.05$	$P>0.05$	$P>0.05$
	Belief systems and time	$P<0.01$	$P<0.05$	$P>0.05$	$P<0.05$
	Herd instincts	$P>0.05$	$P>0.05$	$P<0.01$	$P>0.05$
	Connecting and control	$P>0.05$	$P>0.05$	$P<0.05$	$P<0.05$
	Luxury and provocative	$P>0.05$	$P<0.05$	$P>0.05$	$P>0.05$
<i>Age</i>	New traditions	$P<0.01$	$P>0.05$	$P>0.05$	$P<0.05$
	Belief systems and time	$P>0.05$	$P>0.05$	$P<0.01$	$P>0.05$
	Herd instincts	$P<0.01$	$P<0.05$	$P>0.05$	$P>0.05$
	Connecting and control	$P<0.05$	$P>0.05$	$P>0.05$	$P>0.05$
	Luxury and provocative	$P>0.05$	$P>0.05$	$P<0.05$	$P<0.01$
<i>Educational Background</i>	New traditions	$P>0.05$	$P>0.05$	$P<0.05$	$P>0.05$
	Belief systems and Time	$P<0.05$	$P>0.05$	$P>0.05$	$P<0.05$
	Herd instincts	$P<0.01$	$P>0.05$	$P<0.05$	$P>0.05$
	Connecting and control	$P>0.05$	$P<0.05$	$P<0.01$	$P<0.05$
	Luxury and provocative	$P<0.01$	$P<0.05$	$P>0.05$	$P>0.05$
<i>Disposable Income</i>	New traditions	$P<0.01$	$P>0.05$	$P>0.05$	$P<0.05$
	Belief systems and time	$P<0.05$	$P>0.05$	$P<0.05$	$P<0.05$
	Herd instincts	$P>0.05$	$P<0.05$	$P>0.05$	$P<0.05$
	Connecting and control	$P<0.05$	$P<0.01$	$P>0.05$	$P<0.05$
	Luxury and provocative	$P>0.05$	$P>0.05$	$P<0.05$	$P>0.05$

Data source: Self-organized in this study

management in practice as well as the most commonly used strategy. The consumer demands are the key success in determining a brand. The risk of Brand Innovation tests the R&D of Brand Innovation being able to create value and master the consumer demands and market trend. Besides, such Brand Innovation should be able to be quantified and practiced and remain above a certain quality standard that a brand can be gradually established. As a result, Brand Innovation needs to begin from shaping the brand philosophy, consumers with brand consensus, provide customers with new services and value of a brand, establish new image of brand, and market the new feature of education to further affect Consumer Decision.

RECOMMENDATIONS

According to the above analyses, the following suggestions for Brand Innovation are proposed as below.

1. Combine Brand Innovation with Present Brand

The combination of the perceived Brand Innovation of consumers and the existing brand image in catering industry are the key factor in consumers accepting Brand Innovation. When a catering business practices Brand Innovation but not combines it with the existing brand, the consumers would forget the existing brand of the business and not be aware of Brand Innovation that the existing consumers are likely to be lost. A catering business combining Brand Innovation and the existing brand would benefit the promotion of the consumers accepting Brand Innovation. For this reason, a catering business combining Brand Innovation with existing brand is the key success factor in Brand Innovation.

2. Cross the Product Classification, Brand Innovation Should be Deepened and Enriched The Brand

When proceeding Brand Innovation in catering industry, the trust and value of the consumers should be acquired and the image and objective of the established brand need to be understood. The overall image of the brand vi-

sion has to be built up so that the catering business could easily transfer and apply the existing manufacturing techniques and marketing abilities to the new Brand Innovation idea; Brand Innovation therefore could be deepened and enriched the types, cross the product classification. Treating a brand as an organic whole for coordinate development could accomplish Brand Innovation and complete the mission.

3. Establish the Vision of Brand Innovation

When catering industry does not appear common Brand Innovation vision, the establishment of Brand Innovation would lack of liveliness because of insufficient creation. A catering business should make efforts on removing the loss of Brand Innovation vision, and the management level should be cultivated the Brand Innovation vision and understand the bases and objectives of Brand Innovation, be good at shaping the overall image of the Brand Innovation vision, and insist on the accomplishment of Brand Innovation vision. A favorable interaction is necessary in the management process of Brand Innovation vision establishment. Integrating the Brand Innovation vision into the philosophy of a catering business, such philosophy could promote the Brand Innovation vision of the enterprise.

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