

PERCEIVED QUALITY, PACKAGING, AND CELEBRITY ENDORSEMENT INFLUENCING GEN Y-Z CONSUMER LOYALTY OF BOTTLED WATER BRANDS IN BANGKOK CONVENIENCE STORES

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Abstract

This research explores the factors influencing customer loyalty for bottled water brands in Bangkok's post-pandemic period. The quantitative research was adopted to measure the effects of 3 independent variables (i.e., perceived quality, packaging, celebrity endorsement) on the dependent variable (consumer loyalty). Snowballing and convenience sampling methods with online questionnaires were adopted to collect data from 436 respondents residing in Bangkok and peripheral areas. The research hypotheses were tested using descriptive and inferential statistics to understand the impact. The analysis results showed that all hypotheses proposed were supported, revealing that perceived quality, packaging, and celebrity endorsement have a significant influence on customer loyalty of bottled water brands in Thailand.

Keywords: Brand Loyalty, Branded Commodity, Bottled Water, Perceived Quality, Packaging, Celebrity Endorsement

Introduction

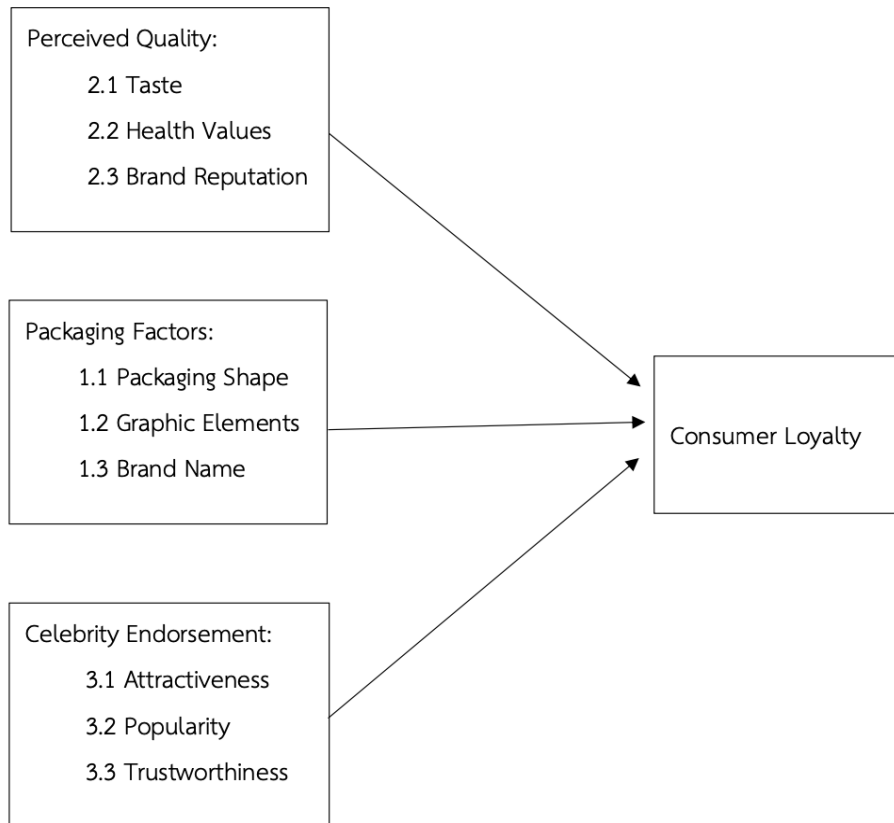
This study focuses on the impact of perceived quality, packaging, and celebrity endorsement on consumer loyalty for bottled water brands in Bangkok, Thailand. Since the COVID pandemic, consumer preferences have changed significantly, especially on safety and cleanliness. Bottled water products in Thailand vary in brand name, taste, bottle shape, size, color, price, and more, making it complicated to determine which factors contribute more to loyalty. Despite large consumption, intense competition, and shifting consumer trends, there was limited research on consumer loyalty within the bottled water segment. The researcher hoped to provide findings to further develop the field of study in brand loyalty, particularly for commodity products with low differentiation, and support business strategies for companies.

Objective of the study

1. To study the impact of perceived quality factors such as taste, health values, and brand reputation on consumer loyalty.
2. To study the impact of packaging factors such as packaging shape, graphic element, and brand name on consumer loyalty.
3. To study the impact of celebrity endorsement factors such as celebrity attractiveness, popularity, and trustworthiness on consumer loyalty

Scope of the study

Conceptual Framework



Hypotheses Test

1. H₁: Perceived quality (taste, health values, and brand reputation) has a significant impact on consumer loyalty of the bottled water brand.
2. H₂: Packaging (shape, graphic elements, and brand name) has a significant impact on consumer loyalty of the bottled water brand.
3. H₃: Celebrity endorsement (attractiveness, popularity, and trustworthiness) has a significant impact on consumer loyalty of the bottled water brand.

Literature Review

Item no.	Authors (Year)	Finding	Variables
1	Wichailert et al. (2017); Sembiring and Azis (2020)	Perceived quality has a strong effect on consumer attitudes and behaviors for bottled water products.	Perceived Quality
2	Marakanon et al., (2017); Yoo et al. (2000)	Perceived quality has an influence on consumer trust and loyalty to the brands across product categories (i.e.: sports shoes, mobile phones, cameras, TV sets, and laptops).	Perceived Quality

Item no.	Authors (Year)	Finding	Variables
3	Opping et al. (2020); Gislason et al. (2020)	Packaging has a positive relationship with brand association and consumer loyalty. It can also affect consumers' perceived quality which can lead to repurchase behavior.	Packaging
4	Dhurup et al. (2014)	The research found a significant positive relationship between packaging & brand awareness and consumer loyalty.	Packaging
5	D'Ambrogio, Platt, and Johnson (2022)	Consumers are more likely to select products endorsed by celebrities over non-endorsed ones due to psychological reasons.	Celebrity Endorsement
6	Khan (2018); Mateen Khan et al (2019); Adeoti (2023); Gupta et al (2020); Pokharel and Pradhan (2018)	Celebrity attractiveness and popularity have a strong link with purchasing intention; however, they also concluded that celebrity trustworthiness has a positive relationship but a weak effect on consumer purchasing behavior.	Celebrity Endorsement - Mixed results
7	Bii, Langat & Sang (2019)	Consumers choose bottled water brands based on how they connect with them emotionally and psychologically.	Brand Loyalty
8	Maneechaeye et al. (2022)	The more positive consumers feel about the brand in certain brand traits, the more likely they would buy from that brand.	Brand Loyalty

Methodology

Population and Sample

The target population for this study is students and professionals within Gen Y-Z range in Bangkok. Based on Yamane's table for sample size, selecting over 100,000 population with 400 sample sizes is required to be collected with a precision level of $\pm 5\%$ for reliability.

Type of Research and Tool

Quantitative research was adopted to collect the data from the 400 respondents, and the snowball and convenience sampling techniques (non-probability) were used to collect the data by using Google Forms. The questionnaire included 5 parts-Part 1: Demographic data (10 questions for nationality, age, gender, education, job, address, distance from home to workplace, how to go to work, and frequent working overtime.), Part 2: Welfare factor (9 questions for Bonus, Medical insurance, and Retirement plan), Part 3: Work-life balance factor (9 questions for Flexible work arrangement, Vacation policy, and Promoting fitness and healthy living), Part 4: Work environment factor (9 questions for Physical Environment, Chemical Environment, and Biological Environment), and Part 5: Job satisfaction (9 questions) by using a nominal, and ordinal scale for Part 1, and interval scale (The least 1 to the most 5) for Part 2-5.

Validity Test

The online questionnaire was checked for validity and approved by the advisor Dr. Sawitree Santipiriyapon.

Reliability Test

The pilot data from the questionnaires (30 samples) were analyzed by using Cronbach’s Alpha in the statistical software (SPSS), with a total reliability of 0.91. The required value to be accepted is 0.7-1.00.

Statistics

1. Descriptive statistics consisted of frequency, mean, and standard deviation.
2. Inferential statistics consisted of multiple regression analysis tests.

Research Results

Demographic Data

The most significant number of nationalities is Thai (94.3%), gender is female (72.9%), age range is 27 – 45 years old (76.8%), marital status is single (57.2%), the background is Bachelor’s (96.1%), occupation type is employee (83.2%). Most participants spend below 400 baht per day (81.1%) and purchase bottled water 1 time per week or more (94.9%). The most purchased brands are Mineré (17.5%), Singha (15.4%), and Crystal (12.9%).

Mean and Standard Deviation

- Perceived Quality Factors: ($\bar{x} = 3.73$; $SD = 0.775$), AGREE
- Packaging Factors: ($\bar{x} = 3.69$; $SD = 0.826$), AGREE
- Celebrity Endorsement Factors ($\bar{x} = 3.65$; $SD = 0.913$), AGREE
- Consumer Loyalty: ($\bar{x} = 3.89$; $SD = 0.752$), AGREE

Multiple linear regression

1. Perceived Quality vs Consumer Loyalty: Accepted with Adjusted R-square = .231, $F = 44.243$, $*P \leq 0.05$ (Taste < .001, significance, Health Values < .001, significance, and Brand Reputation < .001, significance)

2. Packaging Factors vs Consumer Loyalty: Accepted with Adjusted R-square = .130, $F = 22.551$, $*P \leq 0.05$ (Packaging Shape < .001, significance, Graphic Elements = .015, significance, and Brand Name < .001, significance)

3. Celebrity Endorsement vs Consumer Loyalty: Accepted with Adjusted R-square = .100, $F = 17.084$, $*P \leq 0.05$ (Attractiveness = .020, significance, Popularity = .047, significance, and Trustworthiness = .387, insignificance)

Conclusion and Discussion

Demographic Data

Most respondents were unmarried, Thai females aged between 27 – 45 years old who held a bachelor’s degree and worked as employees. Most of them spend under 400 baht a day and usually purchase bottled water at convenience stores at least once per week. The most often purchased brands were Mineré, Singha, Crystal, and Nestle; about 1.6% had no preferred brand. While most participants were familiar with at least 1 brand presenter for bottled water, many people were not familiar with any of them.

Attitudes towards variables

- **Independent Variable 1: Perceived Quality Factors**, most survey respondents agreed on the taste, health values, and brand reputation. Overall, participants agreed on the perceived quality factor.

- **Independent Variable 2: Packaging Factors**, most survey respondents agreed on the packaging shape, graphic elements, and brand name. Overall, participants agreed on the packaging factor.

- **Independent Variable 3: Celebrity Endorsement Factors**, most survey respondents agreed on attractiveness, popularity, and trustworthiness. Overall, participants agreed on the celebrity endorsement factors.

Hypotheses

- H₁: Perceived quality (taste, health values, and brand reputation) has a significant impact on consumer loyalty of the bottled water brand.

- H₂: Packaging (shape, graphic elements, and brand name) has a significant impact on consumer loyalty of the bottled water brand.

- H₃: Celebrity Endorsement (attractiveness and popularity) has a significant impact on consumer loyalty, while Celebrity Endorsement (trustworthiness) does not have a significant impact on consumer loyalty.

Recommendation

The findings of this study can be beneficial for business decision-making in the commodity goods or F&B sector as well as for academic research on consumer loyalty of commodity products. Even though all hypotheses were accepted, many components of this study could be improved for more accurate results. Firstly, future research should consider using a more structured and wide-spreading data collection approach. The data for this study was collected using a snowball & convenience sampling method. By sharing a link through connections or social media, the participants were not randomly selected which could lead to results that do not accurately reflect the whole population. Further research should be conducted with more proportional coverage of all districts in Bangkok and more inclusion of high school or below participants. This study focused on quantitative methodology with online questionnaires which may be limited in terms of inputs and did not fully capture the thoughts and the actual consumer behavior. Future research should consider qualitative research as well as other types of analyses (i.e.: sentiment analysis, in-depth interviews, or big data analysis) to better understand consumer attitudes and behaviors. The qualitative research approach can offer comprehensive data and foster openness to the research because respondents are free to share a broader point of view. Additionally, the data from qualitative can help expand on the results of quantitative analysis leading to clearer interpretations and a greater understanding of the topic.

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