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FACTORS AFFECTING THE SUSTAINABLE DEVELOPMENT TO VIETNAMESE RICE BRANDS IN JOINING TPP AGREEMENT: A STUDY IN HO CHI MINH CITY, VIETNAM.

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ABSTRACT

he study is to analyze the factors affecting the sustainable development to Vietnamese rice brands in joining TPP agreement. 532 consumers and 17 observed variables were conducted to determine the factors affecting the sustainable development to Vietnamese rice brands in joining TPP agreement. The study results showed that 04 factors having an impact on the sustainable development to Vietnamese rice brands in joining TPP agreement as follows: (1) Perceived superior quality, (2) Brand awareness, (3) Brand associations and (4) Brand loyalty. After the data being analyzed, the main objectives of this study are to: First, identify the factors affecting the sustainable development to Vietnamese rice brands in joining TPP agreement. Second, determine the priority order of the impact level these factors affecting the sustainable development to Vietnamese rice brands in joining TPP agreement. Third, propose solutions to the sustainable development to Vietnamese rice brands in joining TPP agreement.

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Introduction:

Report of the VFA (Vietnam Food Association) said, in 2015 the volume of Vietnamese rice exports reached 6.568 million ton, FOB value was 2.68 billion USD, CIF value (cost, insurance and freight) reached 2.78 billion. The average export price reached 407.97 USD/ ton FOB (free on board). With this result, the amount of export increased by 4%, but FBO value fell nearly 4%, CIF value fell nearly 6%, average export prices fell by 33.7% USD / ton compared to 2014. Consequently, Vietnamese rice exports in 2015 officially was ranked No. 3 after India (10.23 million tons) and Thailand (9.55 million tons). VFA forecast that export situation in 2016 would be promising but according to experts, in the long term, Vietnamese rice faces many challenges. Joining TPP (Trans Pacific Partnership) will create conditions to help expand Vietnam's rice market with tariff reductions and elimination of non-tariff barriers. However, most of TPP rice markets require high quality rice and close safety of food hygiene standards, while Vietnamese rice brand value is still low. So, if appropriate production is reorganized, Vietnam will be difficult to meet the needs of this market. In addition, the ASEAN Economic Community (AEC) is also a competitive rice environment as the major export countries are in this community. The rice exporters such as Thailand, Myanmar and Cambodia also want to liberalize in promoting exports.

Vietnam has been participating in rice export for more than 20 years and is always among the top three leading countries exporting; however, Vietnamese rice brand is still inadequate and cannot compete with the rice-exporting countries in the region. China has been the biggest market's rice exporter of Vietnam in recent years but from 2015 onwards, China has strengthened control and prevented smuggling across borders which have affected rice consumption of Vietnam. Africa has also remained the second largest rice export market of Vietnam, and then in 2014, Vietnam lost 60% of market share due to competition from Thailand and Indian rice. Asian is market with lots of rice supplies, especially Thailand. Besides fierce competition in foreign markets, Vietnamese brand rice is also under huge pressure in home market. Although Vietnamese rice has been much improved rice nowadays with many delicious products, in fact many Vietnamese people have not known and have not really loved Vietnamese rice yet. Many Vietnamese consumers in average segment and above are still in favorite foreign rice. So, the urgent problem posed Vietnamese rice sector having an appropriate strategy to enhance Vietnamese rice brand value in the future.

Literature Review

A brand is a name, a word, an expression, a sign, a symbol, a figure or a combination of all these factors in order to identify a product or service or a group of salesmen and differentiate commodity products of enterprises with goods of other enterprises. Brands are intangible and priceless assets of the enterprise (Philip Kotler, 2011). There are many studies on brand value. According to Philip Kotler (2011), Agarwal et al (2010), Mackay (2001), Marshall et al (1999), Krishnan (1996), Aaker, David A., (1991), Kapferer (1991), impact factors to the brand value of a commodity product focus on factors such as the perceived superior quality, brand awareness, brand associations and brand loyalty. The authors suggested that "perceived superior quality" is the difference between the total value consumers receive and the value they expect from a product when deciding to buy with a certain cost. A brand usually accompanies with an overall feeling for the quality of customer on products. Take Nestle products as an example, people often think of the uniqueness of refreshing drinks. "Perceived superior quality" will directly influence the decision to buy and the loyalty of customers, especially in cases which the buyer does not have time or cannot thoroughly research product features before buying. Perceived superior quality also assists in identifying a high price policy; therefore, it creates more profits for reinvestment in branding. "Customers are now

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demanding products and services with higher qualities" (AmiriAghdaieet al., 2012). These authors agreed that the underlying values behind the brand's name are specific association related to that brand. Brand image is based on the "brand associations". If a brand is positioned on particular association to a category of products, it is difficult for competitions to tackle or to create a solid barrier to new competitors. Philip Kotler (2013) emphasized that the association connects to the human brain; a unique and single image should be built for "Brand association" to delve into everyone's minds. Through excellent marketing experts, the association is served as an art. With Coca-Cola and Pepsi, instead of ordering "can of soda" people always say "a Coke or a Pepsi, please". Some brands are now in the dictionary of world languages such as the Sony Walkman special English dictionary for portable cassette players or "FedEx" is now a verb for "rapid transfer".

Michael Porter (2010) also had the same statement on in the study of competitiveness. He also said that making "Brand awareness" is an important part of branding. Buyers often choose brands that they have already known because they feel more secure and comfortable. It is usual thought that a well known brand is more reliable and better quality. "The brand awareness" will be very important for the consumers to buy goods because they often plan the brand before hand. In this case, unknown brand will not have the opportunity to be chosen. Brand awareness is the surface of the iceberg, is all what people can see about a certain brand. Philip Kilter (2013) gave the detail that "Brand awareness" is designed consistently and professionally based o brand strategies including mission, vision, core values, brand personality, product characteristics, customers, etc. This is the brand intangible expressions of brand strategies through Brand awareness system including three major components such as logos, internal objects (business cards, packaging, labels etc) and external items (colors used for packaging design, advertising, posters, banners, flyers, shops etc). Although these factors play an important role for brand awareness, creating a strong brand image requires more than that. Dr Gemma Calvert (2013, Oxford University) has given the scientific evidence through studies on this issue.

In all the studies about the sustainable development to brands, the above authors often demonstrated that loyal customers or "loyalty" for a brand is its biggest. According to the Pareto rule applied in many fields, the 20% of customers will bring 80% of profit for businesses. Finding a new customer is much more expensive than maintaining existing customers (from 07 to 20 times). This is extremely important in a competitive market, in which consumers feel like switching to use products of competitors. For a loyal customer, the company has had a huge benefit that these customers would recommend and persuade relatives and friends to use the company's products. "Brand loyalty" will make competitors frustrated in trying to entice new customers because the cost they spend will be great; however, the results are effectively high. Peter Doyle (2015), J.Walker Smith (2013), KL Keller (2013), Michael Porter (2010), Leuthesser 1988) agreed with the point of view and also noted that "When a business creates strong brands, it can create customer preference and set up a defensive wall against any competitor."

Thus, it can be concluded the factors affecting the sustainable development to Vietnamese rice brands in joining TPP agreement focus on "Percieved superior quality", "Brand awareness", "Brand associations" and "Brand loyalty".

Perceived superior Quality:

According to Asker, David A., (1991) Percieved superior Quality or perceived superior value is the difference between the total value consumers receive and the value they expect in a product when deciding to purchase at a cost. Zeithaml (2005) defines "perceived quality" or "perceived value" is the overall rating of the consumers in terms of value, the utility of a product or service based on their perception of what to get

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and what to pay." That was the value the customer perceives currency in terms of technical benefits, economic, and social services that consumers can get compared to the price they pay for a product in consideration of price and offering of existing providers (Anderson et al., 2012). According to Woodruff (2012), Butz & Goodstein (2009), perceived Quality of customers is an emotional relationship established between the customers and provider after the customers have used a product or service and found that the products or services generating added value. "Perceived Quality" is objective or subjective. Perceived quality has differences depending on emotion, mood, and perception of consumers.

Hypothesis H1: "Perceived superior Quality" impact on the sustainable development to Vietnamese rice brands in joining TPP agreement.

Brand awareness: Philip Kotler (2011), Krishnan (1996) stated that the value of Vietnamese rice brands is an important part of brand value. Brand awareness is the ability to perceive or recall of consumers or potential customers of a certain brand or a link between the product and the brand of a business. According to Adam Khoo (2013), Aaker, David A., (1991), Kapferer (1991), a well-known brand will be easier to convince consumers than the less well known. The process of brand awareness is formed through activities such as organizing events, charitable activities, public sponsors, advertising, promotions, trial delivery, etc. (Agarwal and Rao, 2010).

Hypothesis H2: "Brand awareness" impact on the sustainable development to Vietnamese rice brands in joining TPP agreement.

Brand associations: According to Philip Kotler (2011), Agarwal and Rao (2010), Mackay (2001), Marshall et al (1999), brand associations are associations of consumers or potential customers to some features for a particular brand when being mentioned. Underlying value behind the name of the brand is its own association related to that brand. Brand image is based on the brand associations. If a brand is placed on exclusive association specific to a product category or a category of goods, the competition will be very difficult to attack or to create a solid barrier to the competitor. (Aaker, David A., 1991; Fakeye, 2012 & Crompton, 1991)

Hypothesis H3: "Brand associating" impact on the sustainable development to Vietnamese rice brands in joining TPP agreement.

Brand loyalty: According to Agarwal and Rano (2010), Mackay (2001), Krishnan (1996), Aaker, David A., (1991), brand loyalty is a long-term commitment of customers to a brand. This attachment is the most important factor in forming brand value, a basic factor oriented activities related to brand value. Michael Porter (2012), Kapferer et al (1991) suggested that loyalty help businesses reduce marketing costs and empower businesses for intermediate distributors, suppliers, consumers and prospective customers.

Hypothesis H4: "Brand loyalty" impact on the sustainable development to Vietnamese rice brands in joining TPP agreement.

ISSN: 2235 -767X

Research model

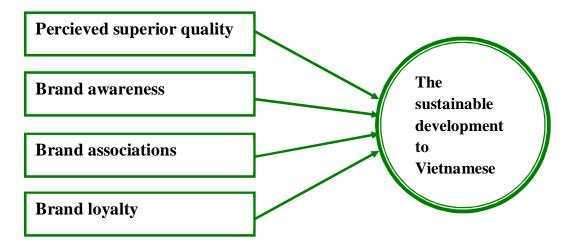


Figure 1: Study model of factors affecting the sustainable development to Vietnamese rice brands in joining TPP agreement

Methods of Research

The research results were done through 02 qualitative and quantitative research methods whichhad three phases. Stage 1, Based on the doctrine, the theory and the results of scientific research concerning the above, the authors used qualitative research methods to conduct group discussions, consultation of experts aims to select the variables and variable observation group. Stage 2, Based on the factor group affecting the sustainable development to Vietnamese rice brands in joining TPP agreement, survey questionnaires were designed to collect comments from 532 consumers from Ho Chi MinhCity. The model consisted of 4 scales with 17 observed variables (research question), using 5-point Likert scale (Likert scale with a 5-point), Distance value = (Maximum - Minimum) / n = (5 - 1) / 5 = 0.8: 1. Completely disagree; 2. Disagree; 3. No opinion / Normal; 4. Agree; 5. Totally agree. Survey results input was used SPSS 20.0 and Cronbach's alpha coefficient to test reliability of the scales. Stage 3, After testing the reliability using Cronbach's alpha coefficient, Exploratory Factor Analysis - EFA was analyzed to shrink and summarize the data of the scale. This method is based on extraction ratio factor (Eigenvalue), under which only those factors having ration (Eigenvalue) greater than 1 will be kept, those smaller than one will not show information better than origin variable because after standardizing, each original variance is 1. The method of extracting the main components (Principal components) and original method of factor rotation (Varimax Procedure) were used to minimize the number of variables that have large coefficients for the same factor, which increases explaining the factors. This result is used to analyze multiple linear regressions for testing assumptions of the model, which consider the impact level of factors, since then the extent of the impact of factors affecting the sustainable development to Vietnamese rice brands in joining TPP agreement.

ISSN: 2235 -767X

Research Results

Testing relability of the scale

Table 1 - Cronbach's Alpha

Variable	Code	Factors	Cronbach's Alpha
	PQ	Percieved superior quality	0,922
IDV	BI	Brand awareness	0,916
ID V	BA	Brand associations	0,862
	BL	Brand loyalty	0,857
DV	BV	Brand value	0,757

(Source: The researcher's collecting data and SPSS)

The test results showed that scales have high precision, Cronbach's alpha coefficient were> 0.7 and the correlation coefficients of the total variables measurement met the standard (> 0.3). The above scales are acceptable. Variables were not deleted. Thus, this result ensured for EFA in the next step.

Exploratory factor analysis (EFA)

Table 2. Exploratory Factor Analysis

	Initial Eigen values						
Component	Total	% of Variance	Cumulative %				
1	3.434	22.896	22.896				
2	3.230	21.531	44.427				
3	2.750	18.336	62.763				
4	2.310	15.397	78.160				

(Source: The researcher's collecting data and SPSS)

Results of EFA - Exploratory Factor Analysis showed the total variance extracted is 78.160%, greater than 50%. This means that the deduction factors would explain 78.160% for the model, the remaining of 21.840% was explained by other factors. Factor Extraction ratio (Eigenvalue) is greater than 1 which should be retained.

ISSN: 2235 -767X

Table 3. Exploratory Factor Analysis

Observed Veriables		Component					
Observed Variables	1	2	3	4			
I like Vietnam rice brands	.876						
I am a regular customer of the Vietnamese rice brands	.915						
When mentioning rice, I always think of Vietnamese rice brands first	.855						
Slogan of Vietnamese rice brands is unique compared to competitors	.812						
Products of Vietnamese rice brands are rich and diversified		.952					
Products of Vietnamese rice brands beautiful designs and		.862					
packages		.802					
Vietnamese rice brands associated with the event program for		.853					
beneficial community		.655					
Vietnamese rice brandies popular on the world market		.782					
HR in Vietnamese rice sector is qualified and professional			.896				
Product quality of Vietnamese rice brands are delicious			.779				
Trend using Vietnamese rice products is growing in VN			.737				
I am willing to introduce Vietnamese rice brands			.726				
The distribution network of the Vietnamese rice brand is wide				.869			
I always feel safe when using the Vietnamese rice brand				.862			
It is easy to find Slogan, logo of Vietnamese rice trademark in				.727			
many places				.121			

(Source: The researcher's collecting data and SPSS)

The analysis results in Rotated Component Matrixa Table showed all observed variables can be divided into 4 groups of factors and variables have Loading Factor coefficient> 0.5. This showed that the analytical data are consistent and qualified to conduct multiple regression analysis with four independent variables respectively: "Superior perceived quality", "Brand awareness", "Brand associations", "Brand loyalty". Cronbach's alpha coefficients of the overall scales of independent factors are > 0.7; therefore, the scale meets standard and statistical significance.

ISSN: 2235 -767X

Analysis of Multiple Linear Regressions

Table 4: Summary model

Model Summary^b

Model	R	R	Adjusted	Std.	Change	Change Statistics				Durbin-
		Squar	R Square	Error of	R	F	df	df2	Sig. F	Watson
		e		the Estimate	Square Change	Change	1		Change	
				Limate	Change					
1	.960°	.921	.919	.119	.921	37.562	4	528	.000	2.020

The above table showed that the correlation coefficient adjustment: R2 = 0.919 (Inspection F, sig. <0.05); which means 91.9% of variable Y is explained by four independent variables (Xi). Coefficient Durbin - Watson (d) = 2.020; some observers n = 532, parameter k = 4, the level of significance of 0.01 (99%), the statistical tables Durbin - Watson, dL (below statistical value) = 1.623 and dU (above statistical value) = 1,725. So, (dL = 1.623) <(d = 2.020) <[4 - (dU = 1.725) = 2.275] proved the model has no autocorrelation.

Table 5: ANOVA

Model	Sum of	df	Mean	F	Sig.
	Squares		Square		
Regression	21.363	4	5.341	37.562	.000 ^b
Residual	1.820	528	.014	u.	
Total	23.183	532			

(Source: The researcher's collecting data and SPSS

The test results have value F = 37.562 and Sig. = 0.000 < 0.05 shows the building model is consistent with the data set and the independent variables included in the model related to the dependent variable. Generally, regression analysis with selected reliability is 95%, corresponding to the selected variable with statistical significance level is p <0.05. Thus, the results showed that all variables satisfy the demand. Verification of conformity of the model showed that multicollinearity does not violate (VIF <10).

ISSN: 2235 -767X

Table 6. Factors affecting the sustainable development to Vietnamese rice brands in joining TPP agreement.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		В	Std. Error	. Error Beta			Tolerance	VIF
	(Constant)	071	.088		799	.426		
1	Percieved Superior Quality	.251	.016	.399	15.999	.000	.985	1.015
	Brand Awareness	.260	.015	.460	17.700	.000	.906	1.103
	Brand Associations	.246	.015	.420	16.934	.000	.996	1.004
	Brand Loyalty	.272	.014	.499	19.217	.000	.909	1.100

(Source: The researcher's collecting data and SPSS)

Results of regression analysis showed that factors affecting the sustainable development to Vietnamese rice brands in joining TPP agreement and priorities respectively as follows: "Brand Loyalty": $\beta = 0.499$; "Brand awareness": $\beta = 0.460$; "Brand associations": $\beta = 0.420$ and "Percieved superior quality": $\beta = 0.399$. The regression equation takes the following form: Y = 0.399X1 + 0.460X2 + 0.420X3 + 0.499X4. Results of this research are the basis of the recommendations proposing solutions to enhance the sustainable development to Vietnamese rice brands.

Conclusion

The research results showed that all t value > 2 was statistically significant and high data reliability. Besides, the regression coefficients were positive. This showed that the effects of independent variables in the same direction with the sustainable development to Vietnamese rice brands in joining TPP agreement. In this research, the results had the Variance Inflation Factor (VIF) and Tolerance shown to be the following VIF < 10. (1 < VIF < 10). This showed that there was not multicollinearity.

We had the component 1 (X1): "Brand Loyalty" impact on the sustainable development to Vietnamese rice brands with significance level of 5%.

We had the component 2 (X2): "Brand awareness" impact on the sustainable development to Vietnamese rice brands with significance level of 5%.

We had the component 3 (X3: "Brand associations" impact on the sustainable development to Vietnamese rice brands with significance level of 5%.

We had the component 4 (X4): "Perceived superior Quality" impact on the sustainable development to Vietnamese rice brands with significance level of 5%.

ISSN: 2235 -767X

Recommendations

First, Vietnam needs having strategies for building loyalty of consumers for Vietnamese rice brands. Actual studies prove that customers tend to buy the goods with high quality and consistency in value. Loyalty cannot be bought by money, but through struggle, efforts to achieve it such as the core value of the product, quality, reliability, and reasonable price, good customer care, etc. Although Loyalty is very vague, intangible, it is priceless and over time, it will increase the brand value.

Second, marketers need to have a strategy to increase the level of brand awareness Vietnamese rice brand such as creating unique and appropriate names to the standards of protection; logical and impressivelogo design; creating Packaging design and product design synchronize sales location, advertising position to distinguish the product, which is eye-catching display and persuasive information, convenient and friendly environment; Slogan must be fine and core because it is brand positioning in the minds of consumers.

Third, unique brand associations should be made not only to images, color, sound, but also to the stories so that consumers have a good impression of Vietnam rice brands as the associations of customers for other brands. For example, dress the flight attendant of Singapore Airlines, the musical theme "Intel inside" of Intel, or classic patterns on Louis Vinton bags, all of which are easier to remember than the logo of the brand.

Fourth, Vietnam needs to have an overall strategy for Vietnamese rice brand. Specifically, the first step is to raise awareness of the "high-quality rice – clean rice – green rice " in all communities, the relevant departments involved in the supply chain and export of rice in the country to build supply chain and high quality and safe rice for consumers soon as mentioning Israel, Japan, Europe, and the USA consumers will think of original places of agricultural products with high tech, clean and friendly environment. Percieved superior quality of customer for the product will determine the survival and development of Vietnam rice brands in the future./.

ISSN: 2235 -767X

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