THE INFLUENCE OF BRAND NAME ELEMENTS AND BRAND EXPERIENCE ON CHOCOLATE MALT DRINK BRAND PREFERENCES AMONG GEN Y CONSUMERS

by

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Thesis submitted in fulfillment of the requirements for the degree of Doctor of Philosophy

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# TABLE OF CONTENTS

ACKNOWLEDGEMENT ii

TABLE OF CONTENTS iv

LIST OF TABLES xi

LIST OF FIGURES xiv

LIST OF ABBREVIATIONS xv

ABSTRAK xvii

ABSTRACT xix

## CHAPTER 1 – INTRODUCTION

1.0 Introduction 1

1.1 Background of the Study 1

1.2 Overview of Chocolate Malt Drink Industry in Malaysia 4

1.3 Problem Statement 9

1.4 Research Questions 13

1.5 Research Objectives 13

1.6 Scope of Study 14

1.7 Significance of the Study 15

1.7.1 Theoretical contribution 15

1.7.2 Practical contribution 16

1.8 Conceptual Definition 17

1.9 Organization of the Thesis 18

1.10 Chapter Summary 19
CHAPTER 2 – INTRODUCTION

2.0 Introduction 20

2.1 Consumer Brand Preferences 20

2.2 Brand Name Elements 28

2.2.1 Brand Name 29

2.2.1(a) Brand Name Linguistic 32

2.2.2 Brand Logo 37

2.2.3 Package Design 41

2.2.4 Health Claims 49

2.3 Brand Experience 54

2.3.1 Brand Experience Dimensions 60

2.3.1(a) Sensory 61

2.3.1(b) Affective 61

2.3.1(c) Intellectual 61

2.3.1(d) Behavioral 62

2.4 Gaps in Literature 62

2.5 The Underlying Theory 71

2.5.1 Cue Utilization Theory 71

2.5.2 Signaling Theory 75

2.6 Conceptual Framework 80

2.7 Hypothesis Development 83

2.7.1 The Relationship between Brand Name Elements and Brand Preferences 83

2.7.1(a) The Relationship between Brand Linguistics and Brand Preferences 83

2.7.1(b) The Relationship between Brand Logo and Brand Preferences. 84
2.7.1(c) The Relationship between Package Design and Brand Preferences 85
2.7.1(d) The Relationship between Health Claims and Brand Preferences 85
2.7.2 The Relationship between Brand Name Elements and Brand Experience 86
2.7.2(a) The Relationship between Brand Linguistics and Brand Experience 86
2.7.2(b) The Relationship between Brand Logo and Brand Experience 87
2.7.2(c) The Relationship between Package Design and Brand Experience 88
2.7.2(d) The Relationship between Health Claims and Brand Experience 88
2.7.3 The Relationship between Brand Experience and Brand Preferences 89
2.7.4 Mediating Effect of Brand Experience in Relationship between Brand Elements and Brand Preferences 90
2.8 Summary Chapter 91

CHAPTER 3 – METHODOLOGY
3.0 Introduction 92
3.1 Research Design 92
3.2 Research Setting 93
  3.2.1 Generation Y as Respondents 93
  3.2.2 The Consumption of Chocolate Malt Drink Among Generation Y 98
3.3 Data Collection Method 100
  3.3.1 Primary Data 100
  3.2.2 Secondary Data 101
3.4 Survey Instrument 102
3.5 Development of Questionnaire 102
3.6 Development of Measurement Scale 104
  3.6.1 Brand Name Linguistic Instruments 104
  3.6.2 Brand Logo Instruments 106
  3.6.3 Package Design Instruments 106
  3.6.4 Health Claims Instruments 107
  3.6.5 Brand Experience Instruments 108
  3.6.6 Brand Preferences Instruments 109
3.7 Pilot Testing 109
  3.7.1 Feedback on the Pilot Testing 110
3.8 Population and Sample Size 111
  3.6.1 Unit of Analysis. 113
3.9 Sampling Technique 114
3.10 Data Collection Procedure. 115
3.11 Statistical Methods for Data Analysis 118
  3.11.1 Exploratory Factor Analysis 118
  3.11.2 Cronbach’s Alpha 120
  3.11.3 Descriptive Analysis 121
  3.11.4 Correlation Analysis 122
  3.11.5 Regression Analysis. 123
  3.11.6 Hierarchical Multiple Regression Analysis 124
3.12 Chapter Summary 129

CHAPTER 4 – ANALYSIS OF FINDINGS
4.0 Introduction 131
4.1 Descriptive Analysis of Respondent 131
4.2 Chocolate Malt Drink Brand and Time Consumed 134
4.3 Cross Sectional Analysis 135
4.4 Descriptive Analysis of Major Variables 138
  4.4.1 Brand Elements; Brand Name Linguistics 138
  4.4.2 Brand Elements; Brand Logo 139
  4.4.3 Brand Elements; Package Design 140
  4.4.4 Brand Elements; Health Claims 140
  4.4.5 Brand Experience 141
  4.4.6 Brand Preferences 142
4.5 Normality of Data 143
4.6 Common Method Bias 145
4.7 Goodness of Measure 145
  4.7.1 Factor Analysis 145
  4.7.2 Exploratory Factor Analysis on Independent Variable 147
    4.7.2(a) Exploratory Factor Analysis on Brand Name Linguistics 147
    4.7.2(b) Exploratory Factor Analysis on Brand Logo 148
    4.7.2(c) Exploratory Factor Analysis on Package Design 149
    4.7.2(d) Exploratory Factor Analysis on Health Claims 150
  4.7.3 Factor Analysis on Mediator Variable 151
  4.7.4 Factor Analysis on Dependent variable 153
4.8 Reliability Analysis of Major Variables 154
  4.8.1 Reliability Analysis results for independent variables (brand name linguistic, brand logo, package design and health claims), mediator variable (brand experience) and dependent variables (brand preferences) 156
4.9 Correlation Analysis 156
  4.9.1 Correlation analysis among independent variable (brand elements), mediator variable (brand experience) and dependent variable (brand preferences) 156
4.10 Multiple Regression Analysis 158
  4.10.1 Relationship Between Independent Variables and Dependent Variable 158
  4.10.2 Relationship Between Independent Variables and Mediating Variable 159
  4.10.3 Relationship Between Mediating Variable & Dependent Variable 160
  4.10.4 Relationship between Independent Variable and mediating Variable toward Dependent Variable 161
  4.10.5 Linearity and Normality 162
  4.10.6 Heteroscedasticity. 162
  4.10.7 Multicollinearity 162

4.11 Mediation Analysis 163
  4.11.1 Baron and Kenny (1986) Mediating Analysis 163
  4.11.2 Process Analysis 166
  4.11.3 Classification of Mediating Effect 168

4.12 Summary of Analysis and Results 169
  4.12.1 Relationship between Brand Elements and Brand Preferences 170
  4.12.2 Relationship between Brand Elements and Brand Experience 170
  4.12.3 Relationship between Brand Experience and Brand Preferences 171
  4.12.4 The Mediating Effect Among Brand Elements and Experience and Brand Preferences 171

4.13 Chapter Summary 173
CHAPTER 5 – DISCUSSION AND CONCLUSION

5.0 Introduction 174
5.1 Recapitulation of the Major Findings 174
5.2 Discussion of the Major Findings 177
  5.2.1 Determining the Significant Relationship between Brand Name Elements and Brand Preferences 177
  5.2.2 Determining the Significant Relationship between Brand Name Elements and Brand Experience 181
  5.2.3 Determining the Significant Relationship between Brand Experience and Brand Preference 183
  5.2.4 Examining the Role of Brand Experience as a Mediating Variable in the Relationship between Brand Name Elements and Brand Preferences 184
5.3 Implication of the Study 185
  5.3.1 Theoretical Implications 185
  5.3.2 Methodological Contribution 188
  5.3.3 Practical Implication 189
5.4 Limitation of the Study and Future research Direction 192
5.6 Conclusion 195

REFERENCES 197

APPENDICES
LIST OF TABLES

Table 1.1 Retail Sales of Hot Drinks by Category Value 2011-2014 (MYR Million) 5
Table 1.2 Brand Shares of Hot Drinks (Chocolate Malt Drink): % Retail Value 2011-2014 7
Table 1.3 Conceptual Definition 17
Table 2.1 Definition of Brand Preferences 26
Table 2.2 Definition of Brand Experience 58
Table 2.3 Meta-Analysis of Findings of Brand Preferences Research 64
Table 3.1 Definition of Generation Y/Young Adults/Millennial 94
Table 3.2 Malaysia Consumer Segmentation and Population Data 2012, 2013 96
Table 3.3 Chocolate Malt Drink Brand 100
Table 3.4 Instruments Items – Brand Name Linguistic 105
Table 3.5 Instruments Items – Brand Logo 106
Table 3.6 Instruments Items – Package Design 107
Table 3.7 Instruments Items – Health Claims 107
Table 3.8 Instruments Items – Brand Experience 108
Table 3.9 Instruments Items – Brand Preferences 109
Table 3.10 Reliability Test of Pilot Study 111
Table 3.11 Table for Determining Sample Size of a Known Population 112
Table 3.12 Non-probability Sampling (Convenience sampling) for Generation Y 113
Table 3.13 Cronbach’s Alpha 121
Table 3.14 Interpretation of Correlation 127
Table 4.1 Response Rate of the Study 131
Table 4.2 Respondent's Profile 133
<table>
<thead>
<tr>
<th>Table 4.3</th>
<th>Chocolate Malt Drink Brand Consumed</th>
<th>135</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 4.4</td>
<td>Cross-Tabulation of Gender and Chocolate Malt Drink Brand Preferences</td>
<td>135</td>
</tr>
<tr>
<td>Table 4.5</td>
<td>Cross-Tabulation of Age and Chocolate Malt Drink Brand Preferences</td>
<td>136</td>
</tr>
<tr>
<td>Table 4.6</td>
<td>Cross-Tabulation of Income Level and Chocolate Malt Drink Brand Preferences</td>
<td>137</td>
</tr>
<tr>
<td>Table 4.7</td>
<td>Cross-Tabulation of Occupation and Chocolate Malt Drink Brand Preferences</td>
<td>137</td>
</tr>
<tr>
<td>Table 4.8</td>
<td>Descriptive Analysis of Brand Name Elements; Brand Name Linguistic</td>
<td>139</td>
</tr>
<tr>
<td>Table 4.9</td>
<td>Descriptive Analysis of Brand Name Elements; Brand Logo</td>
<td>140</td>
</tr>
<tr>
<td>Table 4.10</td>
<td>Descriptive Analysis of Brand Name Elements; Package Design</td>
<td>140</td>
</tr>
<tr>
<td>Table 4.11</td>
<td>Descriptive Analysis of Brand Name Elements; Health Claims</td>
<td>141</td>
</tr>
<tr>
<td>Table 4.12</td>
<td>Descriptive Analysis of Brand Name Elements; Brand Experience</td>
<td>142</td>
</tr>
<tr>
<td>Table 4.13</td>
<td>Descriptive Analysis of Brand Name Elements; Brand Preferences</td>
<td>143</td>
</tr>
<tr>
<td>Table 4.14</td>
<td>Skewess &amp; Kutosis Values to Determine Normality</td>
<td>144</td>
</tr>
<tr>
<td>Table 4.15</td>
<td>Multiple Criteria for Factors to be Extracted for Variables under Studied</td>
<td>147</td>
</tr>
<tr>
<td>Table 4.16</td>
<td>Summary Results of EFA for Brand Name Linguistic Components Instrument</td>
<td>148</td>
</tr>
<tr>
<td>Table 4.17</td>
<td>Summary Results of EFA for Brand Logo Instrument</td>
<td>149</td>
</tr>
<tr>
<td>Table 4.18</td>
<td>Summary Results of EFA for Package Design Instrument</td>
<td>150</td>
</tr>
<tr>
<td>Table 4.19</td>
<td>Summary Results of EFA for Health Claim Instrument</td>
<td>151</td>
</tr>
<tr>
<td>Table 4.20</td>
<td>Questionnaires on Brand Experience</td>
<td>152</td>
</tr>
<tr>
<td>Table 4.21</td>
<td>Summary Results of EFA for Brand Experience Instrument</td>
<td>153</td>
</tr>
<tr>
<td>Table 4.22</td>
<td>Summary Results of EFA Analysis for Brand Preferences Instrument</td>
<td>153</td>
</tr>
<tr>
<td>Table 4.23</td>
<td>Summary Results of EFA Analysis</td>
<td>154</td>
</tr>
<tr>
<td>Table 4.24</td>
<td>Reliability Analysis results for independent variable (brand name elements), mediator variable (brand experience) and dependent variables (brand preferences)</td>
<td>156</td>
</tr>
<tr>
<td>Table 4.25</td>
<td>Pearson’s Correlation Analysis</td>
<td>157</td>
</tr>
<tr>
<td>Table 4.26</td>
<td>Model Summary Results of Regression Analysis Between Brand Name Elements and Brand Preferences</td>
<td>158</td>
</tr>
<tr>
<td>Table 4.27</td>
<td>Model Summary Results of Regression Analysis Between Brand Name Elements and Brand Experiences</td>
<td>160</td>
</tr>
<tr>
<td>Table 4.28</td>
<td>Summary Results of Regression Analysis of Mediating Variable towards Dependent Variable</td>
<td>160</td>
</tr>
<tr>
<td>Table 4.29</td>
<td>Summary Results of Multiple Regression Analysis of Independent Variables and Mediating Variable towards Dependent Variable</td>
<td>161</td>
</tr>
<tr>
<td>Table 4.30</td>
<td>Summary Results of Mediation Regression</td>
<td>164</td>
</tr>
<tr>
<td>Table 4.31</td>
<td>Bootstrap and Sobel’s Test for Indirect Path Effect</td>
<td>166</td>
</tr>
<tr>
<td>Table 4.32</td>
<td>Result on Mediation Analysis</td>
<td>168</td>
</tr>
<tr>
<td>Table 4.33</td>
<td>Summary of the objectives of the study and hypotheses testing</td>
<td>172</td>
</tr>
<tr>
<td>Table 5.1</td>
<td>Summary of the Research Objectives, Research Questions and Hypotheses</td>
<td>176</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 2.1</td>
<td>Conceptual Framework</td>
<td>83</td>
</tr>
<tr>
<td>Figure 3.1</td>
<td>Data Collection Procedure</td>
<td>117</td>
</tr>
<tr>
<td>Figure 3.2</td>
<td>Basic Mediator Model</td>
<td>125</td>
</tr>
<tr>
<td>Figure 3.2(A)</td>
<td>Baron and Kenny Causal-Approach</td>
<td>126</td>
</tr>
<tr>
<td>Figure 3.2(B)</td>
<td>Baron and Kenny Causal-Approach</td>
<td>126</td>
</tr>
<tr>
<td>Figure 4.1</td>
<td>Summary Results of Regression Model in Step 1</td>
<td>161</td>
</tr>
<tr>
<td>Figure 4.2</td>
<td>Summary Results of Regression Model in Step 2 and Step 3</td>
<td>162</td>
</tr>
</tbody>
</table>
LIST OF ABBREVIATIONS

ANOVA  Analysis of Variance
BMW  Bavarian Motors Work
BRQ  Brand Relationship Quality
CBR  Customer Brand Relationship
CMV  Common Method Bias
DV  Dependent Variable
EFA  Exploratory Factor Analysis
ExPros  Experience Providers
GDP  Gross Domestic Product
IV  Independent Variable
KMO  Kaiser-Meyer-Olkin
LRT  Light Railway Transit
MARCOM  Marketing Communication
MV  Mediating Variable
PC  Principal Component
POP  Point of Purchase
SEMs  Strategic Experiential Modules
SENSE  Sensory Experience
SMEs  Small Medium Enterprises
SPSS  Statistical Package for Social Sciences
TOL  Tolerance
URL  Uniform Resource Locator
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAF</td>
<td>Variance Accounted For</td>
</tr>
<tr>
<td>VIF</td>
<td>Variance Inflation Factors</td>
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</tbody>
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THE INFLUENCE OF BRAND NAME ELEMENTS AND BRAND EXPERIENCE ON CHOCOLATE MALT DRINK BRAND PREFERENCES AMONG GEN Y CONSUMERS

ABSTRACT

The purpose of this research is to examine the effect of brand name elements and brand preferences. This study would also like to examine the effect of brand experience towards chocolate malt drink brand preferences. Finally, the study also examines the mediating effect of brand experience on the relationship between brand name elements, and brand preferences. The Generation Y who had experienced in consuming chocolate malt drink were participants in this study. Data from 430 young consumers residing and/or working in Klang Valley were used for the statistical analysis using convenience sampling approach. Multiple regression analyses were employed to test the relationships between brand name elements comprising of brand name linguistic, brand logo, package design, health claims; and brand preferences. The results show that brand name linguistic, brand logo, package design, and health claims influences brand preferences. The findings also found that brand logo, package design, and health claims also influence brand experience but not brand name linguistic. Brand experience was too, found to influence brand preferences. The hierarchical regression analysis results show that brand experience mediates the relationship between brand logo, health claims, package design and brand preferences. However, brand experience was found not to mediate the relationship between brand name linguistic and brand preferences. Limitations of the study include the limited sample measured i.e. Generation Y staying in Klang Valley.
Future research may include a wider scope of study. The findings of this study are useful to both academicians and practitioners who are interested in branding of food/drink product.
CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter is mainly centered on the overall view and direction of the study. It begins with an illustration of the research background on previous and current studies, chocolate malt drink industry in Malaysia, problem statement, research questions and research objectives. This is followed by a brief discussion on the scope of the study which provides the rationale for the selection of the respondents and the product utilized in the study. This chapter concludes by discussing the significance of the study, followed by terminologies, and organization of the study.

1.1 Background of the Study

Brands which comprised of many different elements, both tangible and intangible (Broadbent & Cooper 1987; Keller 2003) play a significant role in consumer decision making. These brands exist in the consumers’ minds as a sum of those elements that provide a variety of benefits, which can be categorized as satisfying a buyer’s rational and emotional needs (De Chernatony & McDonald 2001).

Since the early 1970s, there has been a growing interest among the marketers and economists in understanding what choices, beliefs and preferences that consumers have about each brand, and how these choices and preferences vary over time. Researchers began to examine the antecedents of brand preferences over a different range of product categories (Mulyanegara & Tsarenko, 2009). To some extent, consumers seems to have a high willingness to pay for a preferred brand,
despite there are other similar alternative brands which may costs much less. For example, a large segment of consumers buys branded medications, even though equivalent generic substitutes are available at the same stores for much lower prices (Ling et al., 2002).

According to Shin et al., (2012), consumers tend to choose among brands based on their individual preferences, past experiences, and the brand’s marketing mix elements. Consumers brand preference is a fundamental step in understanding the consumers brand choice (Ebrahim, 2013); and preference for brands has long been accepted as almost identical to purchase intention, and a good predictor of purchase (Banks, 1950 in Liu et al., 2013). Past research (e.g. Taylor, 2001 & Corte et al., 2010) had acknowledged that brand preference has been frequently used as a symbolic predictor to consumers’ purchase. Furthermore, brand preference is significantly used to measure the effect of brand equity (e.g. Cobb-Walgren et al., 1995; Yoo et al., 2000) and represents intention to choose and purchase a brand (Yoo et al., 2000).

The importance of brand preference has drawn the attention of many researchers to be involved in modeling such dynamic. Brand preferences and its significance are seen in many major textbooks and in companies’ brand strategy (Alamro & Rowle, 2011). For example, Aaker (1996); Yoo et al., (2000); Keller (2003); De Chernatony (2006), and Kapferer (2008), cited brand preferences in their discussions, which emphasize primarily on brand equity, brand awareness, brand knowledge, service branding, and brand association.

Despite all these, much remains unknown about the formation of preferences, especially in terms of how and according to which factors consumers develop preferences for one brand (Muthukrishnan & Kardes, 2001). According to Mokhlis
and Yaakoop (2012) there are many factors that influence the way a consumer perceives a particular brand and prefers it over the others; and how brand preference and other branding variables are being conceptualized and proposed. For example, Keller (2003) discusses brand preferences as an antecedent of brand loyalty and brand equity, whereas Chang and Ming (2009) discussed brand preference as consequences of brand loyalty and brand equity. Other authors (e.g. Rundle-Thiele & Mackay, 2001) uses brand preferences and brand loyalty interchangeably.

Some studies on brand preferences are partial by nature, as they are mostly limited to measuring the impact of one or two factors on brand preferences, which is an obvious limitation (e.g. Sengupta & Fitzsimons 2000; Jamal & Goode 2001; Niedrich & Swain 2003; Ayanwale et al., 2005; and Chang & Ming, 2009). On the other hand, there are studies (such as Duarte & Raposo, 2010; and Alamro & Rowley, 2011) that offer a more holistic model that simultaneously considers a range of antecedents of brand preferences.

However, a study by Shaw and Ivens (2005) pointed out that many senior business managers believe that to differentiate a company’s product from its competitors, the traditional competitive advantages such as product, price, quality, and brand are no longer effective. As an alternative competitive advantage, businesses are encouraged to develop a close relationship with their customers (Kotler & Keller 2009; and Meyer & Schwager 2007). This can be accomplished by enhancing brand experience which is the key to building strong brand and to further nurture brand loyalty (Berry & Carbone 2007; Frow & Payne 2007; Mascarenhas et al., 2006; and VanParys 2007). Nonetheless, before a company can generate brand experience for their product, the product needs to be named, designed, labeled,
packaged, promoted, and distributed in enabling the company to generate experience obtained from the brand.

In Malaysia, the food sector has contributed significantly to the growth and development of the Malaysian economy. The past decade has seen rapid structural transformation and urbanization, in the search for better economic and social opportunities. Therefore, understanding the relative importance of product attributes influencing food choice at the point of sale is important in satisfying consumer preferences and demands (Hanis et. al., 2013). These attributes will contribute, in differing proportions to the overall level of satisfaction derived from purchasing or consuming food products. Jang et al., (2009) concluded that food attributes are one of the most important factors that affect consumers’ decision-making while purchasing food products, especially in malt drinks. Recently, there has been an increasing interest in studying the demand for food attributes (e.g. Wang & Yu 2016; Arboretti & Bordignon, 2016; Haas et. al., 2016; Caputo et.al., 2017; and Benni et.al., 2019). However, little is known about the demand for food attributes among consumers in Malaysia (Hanis et al., 2013) especially when preferring the chocolate malt drink brand.

1.2 Overview of Chocolate Malt Drink Industry in Malaysia

Malaysia's beverage industry is dynamic, consisting of approximately 90 companies with the large, brand-driven companies leading the market. Small-and medium-sized enterprises (SMEs) generally have localized markets and limited distribution facilities. The beverage productions vary from essential products targeted at the low-end market to high-quality internationally branded products. This can be seen when most beverage industry has expanded their healthy and functional
drinks assortment in line with the change in consumer preferences for a healthier drink choice (Euromonitor, 2015).

When it comes to hot drink market (chocolate malt drink is under hot drink category), product development plays a vital role. Malaysian hot drinks sector is currently being shaped by the rising demand for healthier alternatives and more convenient beverage packaging.

This has led the hot drinks (see Table 1.1) industry to capitalize on the global trend towards health consciousness by diversifying their product ranges to include perceived healthier options, such as the inclusive of oligofructose (natural sugar cane) in their drinks. Some companies are also starting to introduce new innovative products claiming health benefits such as reducing sugar levels on their packaging and the use of natural ingredients to appeal to health-conscious consumers (Euromonitor, 2015).

<table>
<thead>
<tr>
<th>Year/Category</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flavoured Powder Drinks</td>
<td>647.3</td>
<td>662.9</td>
<td>680.1</td>
<td>699.1</td>
</tr>
<tr>
<td>Other Plant-based Hot Drink</td>
<td>29.1</td>
<td>30.2</td>
<td>31.6</td>
<td>33.2</td>
</tr>
<tr>
<td>Other Hot Drink</td>
<td>676.4</td>
<td>693.1</td>
<td>711.7</td>
<td>732.3</td>
</tr>
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</table>

*Source: Euromonitor 2015*

In the hot drink category, the top retail sales in 2014 (refer Table 1.1) was other hot drink category (namely Milo, Ovaltine, Vico and Oligo) with 732.3 (MYR Million), flavored powder drink 699.1 (MYR Million), and finally other plant-based hot drink with 33.2 (MYR Million), (Euromonitor, 2015).

Chocolate malt drink is a malt-based drink manufactured by mixing malt with other cereal and legume flour with or without whole milk or milk powder and/or
cocoa powder. Chocolate malt drinks are often positioned as nutritious beverages and frequently they are marketed as having a wide range of nutrients, such as carbohydrate, protein, fats, vitamin A, B, C and E, calcium, iron, phosphorus and potassium (http://consumer affairs.nic.in/consumer/write read data/Health_Drink.pdf, 2013). In Malaysia, chocolate malt drinks are mainly produced by major multinational food producers (e.g. Nestlé is the leader in packaged food in Malaysia for 2012); and some other local manufacturers (Euromonitor, 2013). Due to an increase in demand for chocolate malt drink, well known manufactures of malt drink brands such as Milo (the current leading producer in the hot drinks market in Malaysia in 2012), Ovaltine and Horlicks are implementing new strategies in the market. Manufacturers of malt drink are “reformulating” their products to create healthier versions (Dawson et al., 2008; Golan et al., 2009) as well as positioning their product lines as “healthier alternatives” (Kemp Bui, 2011). This development has motivated other local manufacturers to produce similar chocolate malt drink namely Vico, Oligo, Chocomex, and others (refer Table 1.2, pp.7).

Besides that, retail companies such as GCH Retail Sdn Bhd and TESCO have also taken advantage of tight spending conditions by launching their own private label chocolate malt drink products (Food & Drink Report Q1, 2015). These can be seen in Table 1.2, (refer pp. 7) where Milo was the top favored brand with 77.0% market share in 2014. This was followed by Horlicks 14.6%, Ovaltine 1.9%, Vico 1.4% and others 0.6%. Although the chocolate malt drink industry is dominated by brand Milo, this does not hinder other companies/brands to enter the market to obtain some slice of the chocolate malt market share. This has led to consumers being confronted with many brands each day, with each brand trying to stand out from the rest (Bouchikhi & Kimberly, 2007). Hence, for malt drink manufacturers to remain
competitive, having a strong brand and being the preferred choice among consumers in the chocolate malt industry is really significant.

*Table 1.2* Brand Shares of Hot Drinks (Chocolate Malt Drink): % Retail Value 2001-2014

<table>
<thead>
<tr>
<th>Brand</th>
<th>Company</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milo</td>
<td>Nestlè (Malaysia) Bhd</td>
<td>77.0</td>
<td>77.0</td>
<td>76.9</td>
<td>77.0</td>
</tr>
<tr>
<td>Horlicks</td>
<td>GlaxoSmithKline Consumer Healthcare Sdn Bhd</td>
<td>14.5</td>
<td>14.6</td>
<td>14.7</td>
<td>14.6</td>
</tr>
<tr>
<td>Ovaltine</td>
<td>Associate British Foods Plc</td>
<td>1.9</td>
<td>1.9</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Vico</td>
<td>Maestro Swiss Chocolate</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Others</td>
<td>Others</td>
<td>0.8</td>
<td>0.7</td>
<td>0.6</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Source: Euromonitor 2015

As noted earlier, Malaysian consumers tend to favor more of chocolate malt drinks because of the health benefits chocolate malt drink products can provide. A Global Youth Survey was conducted by Euromonitor 2011, to explore the attitudes and behaviors of youth between the age of 16-24 residing in 15 countries (including Malaysia) which comprises of the world's largest and fastest growing youth population. The result shows that when looking for what type of groceries to buy, food which provide health benefits rank the highest. This study signifies that consumers, especially the young ones are becoming more conscious, not only about health and wellness issues related to diet and food choices (Quah & Tan, 2010), but also on issues of proper nutrition, preventive healthcare, and general health and well-being (Euromonitor, 2013). Studies by Ong et al., (2008); and Rezai et al., (2011), found that Malaysian consumers between the age of 20 and 40 years old were also found to be more health conscious where they prefer to purchase organic and other health related food, rather than other food category.
Although studies have discovered that many young consumers are more health conscious, but at the same time, the main challenge encountered by most developed and developing countries is the rise in the proportions of overweight and obese consumers. The improvements in Gross Domestic Product (GDP), the issue of urbanization and the changing work habits of urban people that demand convenience food consumption has led to an increase in the concern on obesity (Bjorndal et al., 2014). More and more consumers are willing to pay more for food rather than preparing the food themselves (Deloitte, 2012). Therefore, when purchasing healthy drinks, what are the criteria that consumers especially the younger generation or the Generation Y look at, and what are their choices and their brand preference are important to look at.

The increase in consumers’ awareness towards health has provided an opportunity for food manufacturers and brand owners to target new customers with novel innovative products. This has led the market for healthy food to grow rapidly (Menrad, 2003; Verbeke, 2005), thus the chocolate malt drink manufacturers and producers are faced with competition in creating and sustaining strong brands that are valued by changing customer needs. This trend looks set to continue in the future (Fern, 2007; PWC, 2009; Schmidt, 2000).

Past literatures have studied the relationship between health status and the consumption of beverages such as milk, fruit and vegetable juice, and sugar sweetened beverages (Hasnain et al., 2014; Massougbdjii et al., 2014). These beverages have been associated to body weight status in a positive and/or negative manner across studies and beverage types. However, malted drinks, one of the most widely consumed beverages among young generation have received limited attention.
In a study by Prescott et al., (2002), it was found that consumers’ food choice is influenced by factors such as expectations and attitudes, health claims, price, ethical concerns and mood, while study by Jang et al. (2009) acknowledged food attributes as one of the most important factors that affect consumers’ decision-making while purchasing food products. However, there has been an increased interest in studying the demand for food attributes. Yet, little is known about the demand for food attributes among consumers in Malaysia especially in the chocolate malt drink industry. Thus, understanding the relative importance of product attributes influencing food choice at the point of sale is important in satisfying consumer preferences and demands. These attributes will contribute, in differing proportions to the overall level of satisfaction derived from purchasing or consuming food products.

Therefore, this study investigates the direct relationship between the brand name element and brand preferences. Rather than focusing on a specific element of a brand or the overall brand element concept, this study focuses on the elements of the brand name which consists of brand name linguistic, brand logo, package design and health claims. This is done to identify the richness of each element and how each element can influence brand preferences. Hence, it is essential for marketers to understand how individual’s preference toward brands change in relation to changing motives, and more importantly, which brand elements are associated with these changes.

1.3 Problem Statement

Malaysia has experienced a very rapid socio-economic growth for the past three decades which has brought about significant changes to the lives of its people. The impact of modern living can be seen in major cities where there exists a dramatic change in urban lifestyles. Consumers are starting to demand for more variety, more
convenience, more environmentally-friendly and more healthier food choices, besides requiring more food that delivers values, e.g. organic and halal products, accompanied by proper assurances of quality and safety (Overview of The Canadian Agriculture and Agri-Food System, 2013).

In Malaysia, healthy drink (chocolate malt drink under the hot drink category) are gaining strong interest from consumers especially those living in urban areas who are looking for convenient and healthy food and drinks. Many of these consumers are starting to expect hot drinks which are malt-based or plant-based to contain added vitamins or high fibre, in addition to their flavors (Euromonitor, 2015).

However, there is a lack of published literature on malted drink especially on preferences of malt drink brand, particularly in the Malaysian context. Even so, there exist some studies on chocolate malt drink consumption. For instance, in Malaysia, studies by Atiqah et al., (2015), and Cai et al., (2013), on the impact of chocolate malt drink, claimed that combination of chocolate malt drink consumption and aerobic dance exercise; and combined circuit training exercise, have more beneficial effects on bone and antioxidant enzyme compared to when drinking chocolate malt drink alone or doing aerobic dance exercise alone among the young females; and young males. Further, Mohamed et al., (2015) in their studies on school children, posit that malted drink consumption is prevalent among Malaysian primary school children, mostly among boys, indigenous children and those who lived in the East Coast region of Malaysia. This study also found that malt drink consumers had better micronutrient intakes and were more physically active than non-consumers of malted drinks.

Meanwhile, one of the studies on chocolate malt drink carried out in Singapore claimed that more than 50% young children between the aged of 7 to 10
years consumed malted drinks both during the weekdays and weekends (Goh & Jacob, 2011). While in India, study by Shophiya (2009), on brand preferences of chocolate malt drink, revealed that majority of the respondents prefer to buy Horlicks rather than other brands due to its reasonable price, quality, quantity, packing, health care, doctor’s advice, content of vitamin and mineral’s.

On the other hand, researchers on consumer preferences towards a brand, have been much focused on established markets, such as the U.S., where most of the dominant brands are local brands (marketed mainly in the U.S. as well as other developed countries and emerging market), (Ghose, 2013).

According to Schultz et al., (2014), brand preference has reached a position of being an academic and professional keystone in the development of most brand strategies, applications and measurements. Despite this, there exist some challenges to the concept of consumer brand preference. Schultz and Block (2012), proposed that brand preference, as a measure of brand strength and value, is diminishing, and it is being replaced by the concept of ‘No Brand Preference’. In their study, it was found that consumer ‘No Brand Preference’ was growing in almost every brand and category they measured, and this ‘No Brand Preference’ was replacing preference for almost all traditional consumer brands.

However, despite the rising of studies in “No Brand Preference’, the issue of brands’ preferences is still very much relevant especially in the case of a changing marketing environment in emerging markets where the market experiences an increase in the heterogeneity of the brand category offerings, and an increase in purchasing power coupled with an increase in media exposure (e.g. TV channels), that increases exposure of consumers to international brands (Ghose, 2013). Local brands such as Oligo are faced with stiff competition from these international brands
e.g. Horlicks, and Ovaltine, that has been in the market for long and has successfully positioned themselves in the heart and mind of the consumers. Despite the intense competition exist in the chocolate malt industry, more and more players of chocolate malt drink are entering the market such as Tesco and Giant with their own brand of chocolate malt drink. Therefore, it is interesting to investigate how brand name elements can influence consumer brand preferences towards the chocolate malt drink brand preferences, since there are still limited studies on Malaysian consumer brand preferences.

Besides the brand elements, marketing practitioners have come to realize that the formula for success also depends on the company consistently delivering a unique experience that the competitors cannot match and at the same time satisfies the intentions and preferences of the target buyers (Iman, 2017). Chernatony and Cottam (2006) claimed that experience is important for both services and brands. Despite the large growing literature, the role of brand experience in determining brand preferences has not been explicitly considered (Iman, 2017). Past studies have shown the impact of brand experience, both directly and indirectly on consequences namely, satisfaction and loyalty (e.g. Brakus et al., 2009; Sahin et al., 2011; Shim et al., 2015).

In this study, brand experience is considered as a key mediating variable. Thus, this study further investigates the mediating relationship between brand name elements, brand experience and brand preferences. Focus will be on the overall brand experience concept, which consists of the four dimensions namely sensory, affective, behavioral, and intellectual; as suggested by Brakus et al., (2009). Hence, this information is crucial in helping firms better understand the current competitive landscape to assist them in customizing their communications strategies (Yang,
2000). Therefore, to conduct a new study that examines the mediating role of brand experience between brand name elements and brand preferences in relation to chocolate malt drink, among the Gen Y in Malaysia is justified.

To address the gap in the literature, this study provides new evidence on malt drink brand preferences and related characteristics using a representative sample of Malaysian Gen Y. The increasing influence of Malaysian Gen Y towards brand preferences decision, theoretical gaps and the lack of literature that specifically focused on understanding Malaysian Gen Y behavior have motivated the researcher to analyze the effects of the brand name elements which comprises of brand name linguistics, brand logo, package design, and health claims towards consumers’ preferences for the different chocolate malt drink brands. To the best of the researcher’s knowledge, past studies has not been able to incorporate some of these important marketing constructs such as the influence of brand name elements directly to brand preferences, mediated by brand experience in a holistic model. Therefore, the current study integrates these variables into one model and investigates their influence on brand preferences. Furthermore, there is lack of study on the sample (Gen Y) in the current framework in relation to chocolate malt drink. Thus, it is important that findings from this study is able to determine the demographic characteristics related to chocolate malt drink brand preferences; and to what extend the brand name elements impact the brand preferences of the chocolate malt drink among the Gen Y in Klang Valley.

1.4. Research Questions

Based on the problem statement of the study, the specific research questions that this study attempts to address are as follows:

1. Does brand name elements influence brand preferences?
2. Does brand name elements influence brand experience?
3. Does brand experience influence brand preferences?
4. Does brand experience mediate the relationship between brand name elements and brand preferences?

1.5 Research Objectives

The following four research objectives have been formulated for this study, based on the four research questions developed in section 1.4. Specifically, this study seeks to achieve the following objectives:

1. To investigate the significant relationship between brand name elements and brand preferences.
2. To investigate the significant relationship between brand name elements and brand experience.
3. To examine the significant relationship between brand experience and brand preferences.
4. To examine the mediating role of brand experience on the relationship between brand name elements and brand preferences?

1.6 Scope of the Study

This study is bound to be a descriptive research. The respondents’ preferences towards a brand influenced by brand name elements such as brand name linguistics, brand logo, health claim, and package design, were drawn from the questionnaire. In this study, the researcher centred on 2 aspects i.e. product category and sample area.

In this study, the researcher looked at the brand names of chocolate malt drink. The chocolate malt drink brand names are examined mainly for two reasons: 1) consumers are looking at extrinsic cues such as brand name, packaging, and logo when forming brand preference towards low-involvement products such as food product (Mendèz et al., 2011); as well as the intrinsic cues i.e. health claim; and 2)
the increasing in consumer awareness towards the importance of healthy food consumption (Bjørndal et al., 2014). The significance of choosing chocolate malt drink is further explained and presented in research setting section in Chapter 3.

Preliminary, a total number of nine (9) chocolate malt drink brand names were being investigated. These brand names were obtained through the brand observation in four main hypermarkets in Selangor namely; Giant, Tesco, Big Aeon, and Mydin. But, after further investigation, only five (5) brand names were chosen with respect to their morphemic, phonetic and semantic characteristics. They are the manufacturer brands namely; Ovaltine, Vico, Oligo, Horlicks, and Chocomex. However, MILO which is a manufacturer brand is not included in this study, although it is the No. 1 chocolate malt drink in Malaysia (Euromonitor, 2014). The reason is to avoid respondents being bias, thus MILO brand was not included in this study. As for store brands such as Giant and Tesco chocolate malt drink brands, they too, are excluded from this study.

As for the sample, this study currently focuses on the Gen Y residing in Klang Valley. In Malaysia, the millennial or Gen Y make up the biggest proportion of the population (38.2%), and about 660 million people in Asia (Lau, 2014). The term Gen Y describes someone born in between 1982 and 2000 (Lancaster & Stillman, 2010). As reported by Pricewaterhouse Coopers (2009), the Gen Y makes up approximately 62% of the Malaysian workforce. The national statistics, of Malaysia, recorded the population of Klang Valley (2012) was 7.49 million. Klang Valley is home to more than a quarter of the country’s total population, produces about 38.64% of the country’s Gross Domestic Product (GDP), and supplies 28.33% of Malaysia’s total labour force. As a result, the population of the Gen Y residing in Klang Valley who consumed chocolate malt drink is selected for this study.
1.7  **Significance of the Study**

This study will hopefully be interest to many relevant parties. This study will offer two main contributions namely i.e. the theoretical and practical contributions in the area of chocolate malt drink brand preferences and the behavior of Malaysian Gen Y.

**1.7.1 Theoretical contribution**

First, in terms of theoretical significance, the study is to contribute to the body of knowledge in consumer research through an evaluation of the respective importance of brand name elements i.e. brand name linguistic, brand logo, health claim and package design in shaping brand preferences. The existing literature indicates that the impact of these variables on brand preferences towards chocolate malt drink in Malaysia is still vague and studies regarding them are limited.

Second, by investigating the relationship between brand name linguistic, brand logo, package design, and health claim on brand experience, this study expands the literature on brand experience. Therefore, this study with its emphasis on the impact of brand name linguistic, brand logo, package design, and health claim on brand experience, particularly in the chocolate malt drink industry in Malaysia, adds to the existing literature. So far, to the best knowledge of the researcher, no studies have been conducted in Malaysia, in relation to brand preferences of chocolate malt drink.

Finally, by concentrating on the behavior of the consumer in Malaysia especially the Gen Y in the Klang Valley, this study contributes to the consumer pattern when they were selecting, purchasing and consuming the product.
1.7.2 Practical contribution

This study intends to benefit sectors especially chocolate malt producers to adjust their strategies depending on their newly discovered strengths and weaknesses. This study also aims to help the organizations to understand more about factors that influence consumers brand preferences. Appropriate strategies or campaigns can be implemented to increase the level of health consciousness and healthy food consumption especially the chocolate malt drink among Gen Y in Malaysia. Besides that, the result of this study can also influence the creation of good experience in brand preferences for consumers especially the Gen Y in Klang Valley.

Finally, this study can be of good value to the producers, marketers, managers, and practitioners to manage their resources to enhance the competitive advantage of their firms, as well to comprehend the needs and wants of the Gen Y in selecting brand name linguistic, brand logo, package design, and health claim of the chocolate malt drink.

1.8 Conceptual Definition

In the context of present study, the conceptual terms that are extensively implied are defined in Table 1.3.

Table 1.3 Conceptual Definition

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
<td>A brand is a product or service that is distinguished by and marketed on the basis of a distinctive and enduring personality (Lerman et al., 2017).</td>
</tr>
<tr>
<td>Brand name</td>
<td>Component of a brand which can be spoken or verbalized (Bennett, 1988).</td>
</tr>
<tr>
<td>Brand name linguistic</td>
<td>Component of a brand which can be spoken or verbalized (Bennett, 1988), and its relation to the study of the language which includes the phonology, morphology, syntax, and semantics (O’grady et al., 2005)</td>
</tr>
</tbody>
</table>
Semantic

The actual meaning and associations made with the brand name (Chan & Huang, 1997; Chan & Huang, 2001)

Phonetic

The speech sound that is produced, such as the pronunciation of the brand name (Chan & Huang, 1997; Yorkston & Menon, 2004)

Morphological

A morphological requirement is related to the length of the brand name, including issues such as how words are formed compounded, abbreviated, affixed, or blended (Chan & Huang, 1997).

Brand Logo

Corporate name or trademarks (word marks with text only) written in a distinctive form, to entirely abstract designs that may be completely unrelated to the word mark, corporate name, or corporate activities (Murphy, 1990)

Health Claims

Any claim that states, suggests or implies that a relationship exists between a food category, a food, or one of its constituents and health (European Parliament and Council, 2006)

Package design

Package design include copy, colors, structure, graphics, and spokespersons/characters which are combined to give the consumer a visual ‘sales talk’ during shopping and usage of the product (McNeal & Ji, 2003).

Continued

Table 1.3

Brand experience

Sensations, feelings, cognitions and behavioral responses evoked by brand-related stimuli that are part of a brand ‘s design and identity, packaging, communications and environments (Brakus et al., 2009).

Brand Preference

“Brand preference represents the bias a consumer holds or displays in favor of a particular brand relative to others in the same product/brand category” (Jalilvand et al., 2016)

1.9 Organization of the Thesis

This thesis is divided into five chapters. It begins with the introductory chapter that spells out the problem statement, research objective, research questions and research significance. The introduction was followed by background of the study, problem statement, research questions, research objectives, significance of the study, definition of terminologies, and organization of the research. The chapter two comprises the research approach i.e. the review of past literature on the brand
elements which comprises of brand name linguistics; brand logo; health claim; package design; brand experience, and brand preferences. The summary literature of brand preferences, gaps in the literature and the underpinning theory applied in this study are also included in this chapter. Chapter three begins with the proposed theoretical framework, development of hypotheses and research design. This is followed by discussion on research instrument, development of questionnaires and measurement of scales. Finally, the selection of the product used in the research, pilot testing, population and sample size, and the relevant statistical method used are discussed in this chapter. The chapter four started with the profile of the respondents followed by the findings of the study conducted by using the statistical analyses. In last chapter five the researcher concluded the writing of this thesis by summarizing the discussions and findings, and eventually highlighting both the theoretical and practical contributions of this study. The limitations and suggestions for future research were discussed at the end of this thesis.

1.10 Chapter summary

This chapter introduced the proposed research topic by explaining the background of the study and the discussion of the problem statement. This was followed by the research questions derived from the objectives of the study. Then, the scope and significance of the study were emphasized. Finally, the definition of the variables and the organization of the thesis were clarified. The following chapter will discuss the empirical review pertaining to the studied variables.
CHAPTER 2
LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0 Introduction

This chapter will present a review of theoretical and empirical literature used in the development of the research model. The first section of the chapter will provide an overview of existing literature of brand preferences. The second section will review the variables used in the study which comprises of brand name element (brand name linguistic, brand logo, health claims and package design), brand experience and brand preferences. Finally, the third section will discuss the gaps in the literature, and the underpinning theory applied in the study.

2.1 Consumer Brand Preferences

The term ‘customer preference’ was first introduced in the economic literatures by Modigliani and Brumberg (1954) and Friedman (1957) cited in Schultz et.al. (2014). This term was further developed and emerged as brand preference in the advertising, marketing and branding literature in the 1960s (Lavidge & Steiner, 1961; Stafford, 1966; Dolich, 1969). Yet, it was not until 1960s that an acceptable consumer conceptual model was developed after many attempts were made to scientifically demonstrate consumer preferences (Arrow et al, 1958) cited in Schultz et.al. (2014).

Over the many years, various methods of deciding and assessing consumer brand preference have been put forward by both the professional and academic communities (Zeithaml, 1988; Keller, 1993). Nearly every major brand appears to have instituted their own specific way of deciding, measuring, tracking and
evaluating the preference for their brand, brands or brand portfolio in the
marketplace (Keller, 1993; Aaker, 2009; Kapferer, 2012).

Research into consumer brand preferences has only earned the attention of
marketing scholars in the 1970s (Javiland et al., 2016). Since than much of the
research has been concentrated on examining the antecedents of brand preferences
over a diverse span of product classification (Mulyanegara & Tsarenko, 2009). Later,
studies were carried out to investigate the reasons as to why households’ or
consumers may choose one brand over the other. Shin et al., (2012), posit that
consumers choose between brands based on their individual preferences, past
experiences, and the brands’ marketing mix elements. Nevertheless, when it comes
to making decision or making preferences, economists and psychologists often have
a conflicting standpoint. These can be seen in most traditional models, where
preferences are generally regarded as stable, exogenous, definite, and context-
independent (Kraus, 2000). Normally when consumers possess some set of existing
needs, they will try to accomplish them in a consistent and normatively sensible way.
Therefore, when given a set of brands, consumers will observe the brand attributes
and select the brand with the combination of attribute levels that are closest to their
ideal point.

Economists in general, demonstrate decision problems in the context of utility
maximization. An individual’s utility is shaped by preferences such as risk, time, and
social preferences. These preferences, in combination with expectations of future
events, perceptions, beliefs, strategic consideration, prices and constraints, form
consumer behavior (Becker et al., 2012).

In marketing literature, there are numerous definitions for brand preference.
Oliver and Swan (1989) define the concept of preference as the desirability or choice
among alternatives while Ebrahem (2013) posit that brand preference is the
behavioral tendencies reflecting the consumer’s approach towards a brand. These brand preferences are shaped from variation between alternatives resulting in a biased position toward a certain brand; and this position is represented by holistic responses encompasses of the affective response (presented by degree of likeness), cognitive response (unique added value of the brand), and finally, behavioral response (illustrated by the intended act toward the brand).

According to Jalilvand et al., (2016), “brand preference represents the bias a consumer holds or displays in favor of a particular brand relative to others in the same product/brand category”, while Hellier et al (2003, p. 1765), define brand preference as “the extent to which a customer favors the designated service provided by his or her present company in comparison to the designated service provided by other companies in his or her consideration set”. Further, Nilson (2000) claims that brand preference should be one of the focuses of brand management; and buyers that show preference towards a particular brand, often will bring higher market share, higher profits, or share value to the firms (Chang & Liu, 2009). On the other hand, Tomer, (1996) distinguishes four types of consumers’ preferences. Firstly, the actual preference - the degree to which the consumer appreciates and develops the capacity to use certain goods. Second, meta-preferences, which are preferences related to actual preference that reflect the normative judgments of the higher-order self (meta-self). Next, is the true preferences which are the unique set representing what is really and truly best for a person. Finally, unrestrained preferences are those preferences that can satisfy the lower or physical needs. In relation to this, individual’s preferences are determined by his or her actual preferences that reflect the meta-preferences and unrestrained preferences mentioned above (Ebrahem, 2013).
According to Grimm (2005), consumer preferences for brands signify three responses namely: cognitive, affective and conative or behavioral. The components of the cognitive are the utilitarian beliefs of brand elements (Bagozzi, 1978; Zajonc & Markus, 1982; Grimm, 2005), while the constituents of the affective are the degree of liking or preferring that displays consumer feelings towards the brand (Grimm, 2005; Hsee et al., 2009; Zajonc & Markus, 1982; Zajonc, 1980). Finally, the conative or behavioral responses as indicated by Zajonc and Markus (1982) are the consumers’ anticipated or approached act towards the object. Further, Chernev et al., (2011) posit that the associations of behavioral outcome are the willingness of the consumers to pay and preferences of a certain brand.

Brand preference can also be viewed as consumers who are interested in one brand over other brands of similar or competitive products as presented in the sales or in the market share (Michael, 2013; Hellier et al., 2003; Zajonc & Markus, 1980). For instance, Horsky et al., (2006) emphasize the importance of incorporating information about brand preferences into the brand choices mode in which the brand preferences signify the behavioral tendencies reflecting the extent to which consumers favor one brand over another. However, brand preferences may or may not correspond directly with market sales and market share due to factors such as pricing, availability of the products, and sales as well as marketing activities. In some occasions changes in consumer brand preferences may be due to changes in brand sales, market share and market value. Thus, brands which comprised of many different elements, both tangible and intangible (Keller 2003), play an important role in the process of consumer decision making (Duarte & Raposo, 2010) especially in the choices and preferences of goods and/or services.
Brand preference can also be related to but remain conceptually different from another brand. In particular, brand preference is different from brand choice, brand attachment, brand liking, brand commitment, and brand love. According to Bettman et al., (1998), choice is concerned with the selection and consumption of the brand, while brand preference can be viewed as a motivator of brand choice. Consumer choices are based on well-defined preferences through which consumers can decide the set of alternatives from which they will make their choices (Louviere, 2000). However, as mentioned earlier, from the economist viewpoint, the main target of the consumer in the choice task is to satisfy his preference and select the next best option with maximum utility (Rizvi, 2001). Nevertheless, if a consumer does not select the optimal alternative to maximize his utility, he is confronted by conflicting preferences (Yoon & Simonson, 2008). However, marketing managers are more interested in brand preference than brand choice to indicate repeated purchases, since consumer preferences tend to be constant across the different contexts, rather than brand choice which is limited to a specific context (Amir & Levav, 2008).

On the other hand, brand attachment exists at a higher level of emotional response than brand preference; which includes passion, connection and affection. Thomson et al., (2005) claimed that brand attachment measures the strength of the bond between the consumer and the brand. Thus, brand attachment reflects the long-term relationship and predicts current and future purchases based on past purchases (Esch et al., 2006), which is somewhat different from the context of brand preference.

Brand liking and brand commitment are concepts that are related to emotional factors. Brand liking is related to the strength of positive brand assets (Anselmsson et al., 2008), while brand commitment is the deep emotional attachment of consumers