

## Research Articles

**A study on the relationship between brand value enhancement and customer satisfaction in the soft drink industry: Based on brand identity perspective**

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**Abstract**

With the deepening of today's economy, competition in the soft drinks market is becoming more and more intense. With brand as the core strategy of market competition, soft drinks companies need to strengthen the construction of brand value and shape their own brand image. This paper takes the brand value of the soft drinks industry as an entry point and seeks to identify the causes of customer satisfaction in the soft drinks industry based on the consumer's brand identity perspective. Firstly, a research model was developed with an understanding of the concepts of brand value and customer satisfaction. Secondly, a hypothesis is formulated. Afterwards, a questionnaire is designed to test the validity of the hypothesis by analyzing the data collected. Finally, the findings indicate that the dimensions of brand value in the soft drinks industry play a positive role in influencing the dimensions of customer satisfaction. Passive brand identification has a negative moderating effect between the emotional value of brands in the soft drinks industry and the confirmation of customers' expectations; passive brand identification has a negative moderating effect between the functional value of brands in the soft drinks industry and the overall satisfaction of customers.

**Keywords:** *Soft drinks industry, Brand value, Customer satisfaction, Brand identity*

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**Introduction**

1.1 background In the face of modern economic development, people's income has increased and consumption levels have risen significantly, and the concept of consumption and health awareness is gradually changing. The competition in the soft drink market is also becoming more and more fierce. As the brand is the core strategy of market competition, soft drink enterprises need to strengthen the construction of brand value, shape their own brand image, make consumers feel more satisfied than the expected result after contact, and finally win consumers' love and preference to improve the soft drink brand value. In addition, human feelings will influence

their own behavior, and these psychological factors can also be called identity. The different customer satisfaction, the brand identity will be different, the higher the satisfaction the stronger the brand identity, which ultimately affects the soft drink brand value.

## Objective

The purpose of this study is to explore the relationship between brand identity of different customers, on brand value enhancement and customer satisfaction in the soft drink industry

### The literature review

#### 2.1 Soft Drink Industry Research Overview

Yan (2014) emphasizes that soft drink companies operate in a way that new operational strategies are constantly developed in response to changes in consumer behavior. Beverages can be affected by seasons, regional nature of consumption and convenience. In particular, beverages are consumer products and there are more substitutes in the market. Consumers' purchase decisions are based on personal preferences or random purchases.

#### 2.2 Concept of customer satisfaction

Philip Kotler (2002) states that satisfaction depends on the relative value of customers' perceptions and expectations of the product, while Bhattacheljee (2001) breaks down the three dimensions of expectation confirmation, satisfaction, and continued purchase intention. When customers experience results much higher than expected, customers feel surprised and willing to continue to buy products; when customers experience results consistent with expected expectations, customers feel satisfied; when customers experience a sense of less than expected, customers feel disappointed.

#### 2.3 Brand value overview

Su (2003) argue that brand value will bring future benefits, not only the benefits created by the company in the present, and Kevin (1993) points out that consumers are the cornerstone of brand value in terms of the relationship between brand value and customer satisfaction. The functional value of brand value is the quality, price, and taste of soft drink brand products that provide utility to consumers. Emotional value is the utility of soft drink brands to meet consumers' emotional demands, establish a sense of good experience, and generate emotional resonance for brand preference. The symbolic value is that when consumers consume soft drink brand products or services, they can feel the embodiment of their social status and the display of their lifestyle and personality.

#### 2.4 The relationship between brand value and customer satisfaction

Brand value comes from customer satisfaction, the brand must first ensure that its own products and services can meet customer needs, but also different from competitive products, have their own characteristics,

to obtain a high level of customer satisfaction, so that customers are loyal to the brand and do not want to accept other brands. When the brand's customer base gradually expanded, the brand has the capital and security, and then can provide consumers with more high-quality, high assurance, high profit products and services. The customer satisfaction is also high, the profit of the enterprise also grows, and the market share grows significantly thus increasing the brand value.

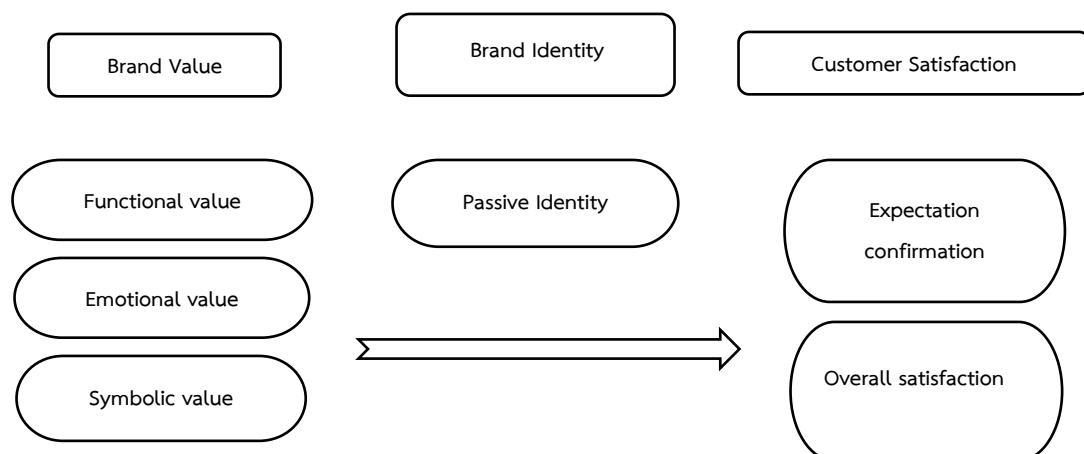
## 2.5 Research related to brand identity

Yi (2019) divided brand identity into two dimensions: active identity and passive identity. Subsequently, Tang (2020) pointed out that active identity is achieved by brand loyalty as a medium, while passive identity is achieved by satisfaction as a medium. Active consumers will buy the product for a long time, and subconsciously create recognition and loyalty; while for passive consumers, they do not actively choose a certain soft drink brand, but rather a certain feature of the soft drink brand attracts them to choose the brand. If they are disappointed with the soft drink brand they are currently consuming, passively identified consumers will immediately choose another brand. The difference between active identification and passive identification is that actively identified consumers will not easily give up the brand they are currently consuming. Therefore, in combination with the dependent variable of customer satisfaction, we will measure consumers' brand identity mainly in terms of passive identity.

## Study Design

### 3.1 Model Construction

This thesis takes the passive identity of brand identity as the moderating variable, customer satisfaction and brand value as the theoretical basis, and the marketing environment of soft drink industry as the research object, and analyzes how the brand value of soft drink industry acts on brand identity to achieve customer satisfaction. The theoretical model constructed is as follows Figure 1.



**Figure 1** Relationship model of customer satisfaction and soft drink brand value based on brand identity

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Image source: Author's own compilation

### 3.2 Hypothesis formulation

After identifying the relevant models, the author studied the relationship between brand value, customer satisfaction and brand identity based on the literature and the characteristics of the soft drink industry, and formulated the following hypotheses.

- H1a: Soft drink brand functional value positively influences customers' expectation confirmation.
- H1b: Soft drink brand functional value positively influences customers' overall satisfaction.
- H2a: Affective value of soft drink brands positively influences customers' expectation confirmation.
- H2b: Affective value of soft drink brands positively influences customers' expectation confirmation.
- H3a: Soft drink brand symbolic value positively influences customers' expectation confirmation.
- H3b: Soft drink brand symbolic value positively influences customers' overall satisfaction.
- H4a: Soft drink brand symbolic value positively influences customers' overall satisfaction.
- H4b: Passive identity negatively moderates the relationship between overall satisfaction and functional value.
- H4c: Passive identity negatively moderates the relationship between expectation confirmation and emotional value.
- H4d: Passive identity negatively moderates the relationship between expectation confirmation and emotional value.
- H4e: Passive identity negatively moderates the relationship between expectation confirmation and emotional value.
- H4f: Passive identity negatively moderates the relationship between expectation confirmation and emotional value.

### 3.3 Data source

The data for this study was collected by means of a questionnaire. The questionnaire was designed based on the proven scales of researchers Bhattacherjee (2001), Sheth (1991), and Jin (2006). An empirical analysis of soft drink brand value enhancement and customer satisfaction was conducted under a passive identity based perspective. The starting date of questionnaire distribution was January 30, 2021, and the closing date was February 19, 2021, for a total of 20 days. A total of 467 questionnaires were returned and 193 invalid questionnaires were excluded, leaving 274 valid questionnaires. Data from valid questionnaires will be used for data analysis and testing hypotheses using spss 23.

## Results and Discussion

### 4.1 Descriptive statistics results

Based on the results of the frequency analysis of each variable, it can be seen that the distribution basically meets the requirements of the sample survey. It can be seen that the results of this survey focus on the willingness of people who are female, in the age group of 20-29 years old, living in tier 3 cities and below, students with bachelor's degree, and with monthly income of 2001-4000 RMB. Specific data are shown in Table 1.

Table 1 Basic information statistics of the sample

Sample Characteristics		Frequency	Percentage	Mean	Standard deviation
Gender	Male	104	38%	1.62	1.62
	Female	170	62%		
Age	10~19 years old	28	10%	2.50	1.01
	20-29 years old	142	52%		
Age	30-39 years old	60	22%	2.50	1.01
	40-49 years old	27	10%		
	50 years old and above	17	6%		
Place of residence	Tier 1 cities	47	17%	2.33	0.75
	Tier 2 cities	89	33%		
	Tier 3 cities and below	138	50%		
Occupation	Students	138	50%	1.81	0.99
	Company employee	77	28%		
	Freelance	32	12%		
Education level	Other	27	10%	2.83	0.71
	High School and below	17	6%		
	Secondary/Junior college	46	17%		
Education level	Undergraduate	179	65%	2.83	0.71
	Master and above	32	12%		
	Below 2000 RMB	97	35%		
Monthly income	2001-4000 RMB	62	23%	2.47	1.45
	4001-6000 RMB	45	16%		
	6001-8000 RMB	28	10%		
Monthly income	8001RMB or more	42	15%	2.47	1.45

Data source: Software generated

#### 4.2 Reliability and validity analysis

According to the results of the reliability analysis in Table 2, it can be seen that the  **$\alpha$**  coefficient of Cronbach's for each study variable is above 0.7, which indicates that the trend of each measure of the questionnaire is consistent and the reliability of the questionnaire is good.

**Table 2** Reliability analysis

Research variables and their dimensions		Title (Quantity)	Cronbach's <b>a</b>
Customer Satisfaction	Expectation confirmation	3	0.729
	Overall Satisfaction	3	0.73
Brand value	Functional value	4	0.786
	Emotional value	3	0.737
	Symbolic value	3	0.829
Passive Identity		3	0.786

Data source: Software generated

As can be seen in Table 3, load factor 1 corresponds to question items 10 to 12, and the load factors are all above 0.6. Load factor 2 corresponds to question items 13 to 15, and the load coefficients are all above 0.7. All the items of customer satisfaction are evenly distributed within the corresponding factors, and the validity test of customer satisfaction is passed.

**Table 3** Rotated component matrix of customer satisfaction

Title item (No.)	Components	
	1	2
P 10	0.758	
P 11	0.693	
P 12	0.816	
P 13		0.713
P 14		0.835
P 15		0.713

Extraction method: Principal component analysis method.

Rotation method: Kaiser normalized maximum variance method.

a Rotation has converged after 3 iterations.

Data source: software generated

Table 4 shows that loading factor 1 corresponds to items 16 to 19, and the loading coefficients are above 0.6. Load factor 2 corresponds to items 20 to 22, and the load factor is above 0.6. Load factor 3 corresponds to question items 23 to 2, and the loading coefficients are above 0.8. The brand value items were evenly distributed within the factors, and the brand value was passed the validity test.

**Table 4** Component matrix of brand value after rotationa

Title item (No.)	Components		
	1	2	3
P 16	0.698		
P 17	0.723		
P 18	0.809		
P 19	0.682		
P 20			0.676
P 21			0.842
P 22			0.648
P 23		0.811	
P 24		0.858	
P 25		0.816	

Extraction method: Principal component analysis method.

Rotation method: Kaiser normalized maximum variance method.

a Rotation has converged after 5 iterations.

Data source: software generated

A total of 1 factor of passive identity was extracted for brand identity using maximum variance rotation. The cumulative variance explained was 70.136%, and the variance explained well, However, since only 1 factor was extracted, the rotation matrix could not be performed.

#### 4.3 Correlation Analysis

Correlation analysis is to test whether the correlation between the variables is strong and whether it verifies a change toward positive or negative. For example, Table 5 shows the correlation analysis results of the returned data: the correlation coefficients of functional value with expectation confirmation and overall satisfaction are 0.493 and 0.624, and the correlation is significant at 0.01. The correlation coefficients of emotional value with expectation confirmation and overall satisfaction are 0.346 and 0.506, and the correlation is significant at 0.01. The correlation coefficients of symbolic value with expectation confirmation and overall satisfaction are 0.383 and 0.302, and the correlation is significant at 0.01. The above data concluded that the higher the brand value of soft drinks, the higher the customer satisfaction with the brand.

**Table 5** Correlation analysis

	Expectation confirmation	Overall satisfaction	Functional value	Emotional value	Symbolic value	Passive Identity
Expectation confirmation	1					
Overall satisfaction	.613**	1				
Functional value	.493**	.624**	1			
Emotional value	.346**	.506**	.613**	1		
Symbolic value	.383**	.302**	.423**	.451**	1	
Passive Identity	.287**	.350**	.409**	.382**	.384**	1

\*\* At the 0.01 level (two-tailed), the correlation is significant.

Data source: Software generated

#### 4.4 Regression analysis

As can be seen from Table 6, the standardized coefficients of functional value and symbolic value are 0.401 and 0.211, and the significance are less than 0.01, hypothesis H1a and H3a are valid; the standardized coefficient of emotional value is 0.005, the significance is greater than 0.01, significant and insignificant, whether hypothesis H2a is valid, can also be confirmed again according to the mediation effect test. And the F-value is 35.061 larger, R-squared is 0.28, the goodness of fit of Table 4.11, the regression model is significant.

**Table 6** Regression analysis of each dimension of brand value on expectation confirmation

Dependent variable	Independent variable	Unstandardized coefficient		Standardized coefficients	Significant t	Significance
		B	Standard error			
	(Constant)	4.304	0.699		6.155	0
Expected confirmation	Functional value	0.327	0.054	0.401	6.004	0
	Emotional value	0.004	0.064	0.005	0.07	0.944
	Symbolic value	0.146	0.041	0.211	3.567	0

F-value is 35.061 R-squared is 0.28

Data source: Software generated

As can be seen from Table 7, the standardized coefficients of functional value and emotional value are 0.502 and 0.199, respectively, and the significance is less than 0.01, and the hypotheses H1b and H2b are valid; the standardized coefficient of symbolic value is 0, and the significance is greater than 0.01, which is not significant, and whether the hypothesis H3b is valid can also be confirmed again according to the mediation effect test. And the F-value is 63.465 larger, R-squared 0.414, indicating that the goodness of fit of Table 4.12 is good and the regression model is significant.

**Table 7** Regression analysis of each dimension of brand value on overall satisfaction

Dependent variable	Independent variable	Unstandardized coefficient		Standardized coefficients	t	Significance
		B	Standard error			
Overall satisfaction	(Constant)	3.331	0.612		5.442	0
	Functional value	0.396	0.048	0.502	8.32	0
	Emotional value	0.183	0.056	0.199	3.246	0.001
	Symbolic value	0	0.036	0	-0.005	0.996

F-value is 63.465 R-squared is 0.414

Data source: Software generated

As can be seen from Table 8, the standardized coefficient of functional value of model 1 is 0.452, with significance less than 0.01 level, which again verifies that hypothesis H1a is valid. The standardized coefficient of the interaction term between functional value and passive identity for model 2 is 0.152, but the p is 0.745 is greater than 0.01 significance is not good, that is, hypothesis H4a is not valid.

The standardized coefficient of affective value in model 1 is 0.277, which is significant less than 0.01, which again verifies that hypothesis H2a holds. The standardized coefficient of the interaction term 2 between affective value and passive identity in model 2 was -0.157, and the R-squared of model 1 to model 2 changed significantly by 0.002, which means that hypothesis H4c is valid.

The standardized coefficient of symbolic value for model 1 is 0.32, with significance less than 0.01 again verifying that hypothesis H3a holds. The standardized coefficient of the passive identity and symbolic value interaction term 3 for model 2 is -0.173, with a significance of 0.635 not significant, which means that hypothesis H4e is not valid.

**Table 8** Regression analysis results of passive identity, brand value dimensions and expectation confirmation

Model	Variables	Standardized coefficient	Significance	R-squared	Adjusted R-squared	Amount of change
1	Functional value	0.452	0	0.252	0.247	45.667
	Passive Identity	0.102	0.078			
2	Functional value	0.378	0.105	0.252	0.244	0.106
	Passive identity	-0.003	0.992			
1	Passive identity and functional value interaction item 1	0.152	0.745			
	Emotional value	0.277	0	0.148	0.141	23.462
2	Passive identification	0.181	0.003			
	Emotional value	0.358	0.098	0.148	0.139	0.154
1	Passive identity	0.287	0.3			
	Passive identity and affective value interaction item 2	-0.157	0.695			
1	Symbolic value	0.32	0	0.169	0.163	27.652
	Passive Identity	0.164	0.007			
2	Symbolic value	0.442	0.095	0.17	0.161	0.225
	Passive Identity	0.247	0.182			
1	Passive identity and symbolic value interaction item 3	-0.173	0.635			

a Dependent variable: expectation confirmation

Data source: Software generated

As can be seen from Table 9, the standardized coefficient of functional value of model 1 was 0.577, respectively, with significance less than 0.01, which again verified that hypothesis H1b is valid. The standardized coefficient of the functional value and passive identity interaction term 1 of model 2 was -0.815, with a significance of 0.05 significant, which means that hypothesis H4b is valid.

The standardized coefficient of affective value of model 1 is 0.436, with significance less than 0.01, which again verifies that hypothesis H2b is valid. The standardized coefficient of the interaction term 2 between

affective value and overall satisfaction for model 2 is -0.604, with a significance of 0.09 not significant, which means that hypothesis H4d is not valid.

The standardized coefficient of symbolic value of model 1 is 0.196, with significance less than 0.01, which again verifies that hypothesis H3b is valid. The standardized coefficient of the interaction term 3 between symbolic value and passive identity for model 2 is -0.441, with a significance of 0.231 not significant, which means that hypothesis H4f is not valid.

**Table 9** Results of regression analysis of passive identity, brand value dimensions and overall satisfaction

Model	Variables	Standardized coefficient	Significance	R-square	Adjusted squared	R-F	Amount of change
1	Functional value	0.577	0	0.4	0.395	90.258	3.863
	Passive Identity	0.114	0.028				
	Functional value	0.971	0	0.408	0.402		
2	Passive identity	0.679	0.021	0.05	0.285	54.087	2.737
	Passive identity and functional value interaction item 1	-0.815					
	Emotional value	0.436	0				
1	Passive identification	0.184	0.001	0.099	0.285	24.955	1.44
	Emotional value	0.748	0				
	Passive identity	0.589	0.02				
2	Passive identity and affective value interaction item 2	-0.604	0.099	0.156	0.149	0.16	0.151
	Symbolic value	0.196					
	Passive Identity	0.275					
1	Symbolic value	0.506	0.057	0.16	0.151	0.156	0.149
	Passive Identity	0.486	0.009				
	Passive identity and symbolic value interaction item 3	-0.441					

a Dependent variable: overall satisfaction

Data source: Software generated

#### 4.4 Hypothesis testing results

Based on the results of correlation analysis and regression analysis, the results of hypothesis testing are organized in Table 10.

**Table 10** Hypothesis testing results

Assumption	Hypothesis content	Result
H1a	Soft drink brand functional value positively influences customers' expectation confirmation	✓
H1b	Soft drink brand functional value positively influences customers' overall satisfaction	✓
H2a	Affective value of soft drink brands positively influences customers' expectation confirmation	✓
H2b	Affective value of soft drink brands positively influences customers' overall satisfaction	✓
H3a	Soft drink brand symbolic value positively influences customers' expectation confirmation	✓
H3b	Soft drink brand symbolic value positively influences customers' overall satisfaction	✓
H4a	Passive identity positively moderates the relationship between expectation confirmation and functional value	✗
H4b	Passive identity negatively moderates the relationship between overall satisfaction and functional value	✓
H4c	Passive identity negatively moderates the relationship between expectation confirmation and emotional value	✓
H4d	Passive identity negatively moderates the relationship between overall satisfaction and affective value	✗
H4e	Passive identity negatively moderates the relationship between expectation confirmation and symbolic value	✗
H4f	Passive identity negatively moderates the relationship between overall satisfaction and symbolic value	✗

Source of data: The author's own compilation

#### 5. Conclusion and Suggestions

##### 5.1 Conclusion

The brand value of the soft drink industry has a positive impact on customer satisfaction. Among them, the functional value of soft drink brands has the greatest impact on the dimensions of customer satisfaction,

indicating that customers are pursuing higher and higher quality of life, focusing on quality and taste while pursuing health. After the functional value reaches the consumer's satisfaction, the emotional value and the symbolic value of the appeal begin to be considered.

Based on the results of the regression analysis, some of the hypotheses were not significant for the following reasons.

1)In recent years, the accelerated development of industry and man-made environmental persecution has led to serious pollution of water sources, and people attach great importance to the safety of water sources. When choosing soft drink products, they prefer old brands with guarantee.

2)By enjoying soft drink products or services, the degree of gaining others' approval and respect is relatively weak, and the symbolic value of the brand is difficult to reflect.

3)The soft drink market is full of excellent brands. Brands that do not position themselves clearly and uniquely enough, and consumers whose sense of experience does not meet their expectations, will reduce their preference for soft drink brands.

4)This analysis did not do stratified sampling analysis on age, income, and place of residence, and directly conducted consistent overall analysis. The audience groups have different degrees of soft drink brand awareness, which also affects the significance of the moderating effect of passive identity.

5)The moderating variable brand identity is divided into two dimensions: active identity and passive identity, and the passive identity dimension alone is not used as a mediating variable together with the active identity dimension, which may lead to the insignificance of the moderating effect.

6)The sample size of the survey is not sufficient, and the moderating effect of consumers' passive identity on brand value and customer satisfaction in the soft drink industry is not so significant.

## 5.2 Marketing Suggestions

1) Optimize the functional value of soft drink brands, control the quality of the source of water, and establish a regulatory department to ensure that the production process is transparent and open. Understand more about the psychological needs of consumers, develop and produce soft drinks with different flavors.

2) Soft drink enterprises should establish characteristic brand image and create emotional value to distinguish from other brands. Let consumers feel the sincerity and specialness of the enterprise, enhance the good feeling towards the soft drink enterprise, and thus generate preference for continuous purchase.

3) Companies need to put effort into establishing their own brand culture concepts and creating unique soft drink brand symbolic values.

4) Implement differentiated marketing for consumers' passive identification

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