

## Effect Of Promotion On Customers' Trust Organic Food In The Mekong Delta

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### Abstract

The customer's trust is seen as a key for the survival to any enterprises wanting to maintain sustainably in the competitive market at present time. Enterprises need to experience ceaseless efforts to gain their customer's trust. In addition, the quality of the product, there are many other factors contributing to build and strengthen the trust of consumers. This study is to determine factors of marketing activities which have impacts on the trust of organic food in The Mekong Delta. The study was conducted with two promotion tools (advertisement and PR), surveyed 300 subjects in the Mekong Delta region, Vietnam. Descriptive statistics, EFA analysis and MLR regression analysis were used to find the advertisement and PR's impact on the customer's trust. The analysis results showed, form of public relations, the usefulness of public relations activities, the quality of information from public relations activities have great impacts on customers' trust. This means that when the customer feels good about the above-mentioned factors, the higher the trust they have on the product. Based on the results, the author proposed solutions to gain greater trusts from customers. For instance, it is necessary to have a careful study on target customers' psychology, preferences and habits when they approach advertising media and their perceptions of the frequency of advertising. The enterprises need to provide advertising information in a full and honest manner. They should develop PR programs that focus on usefulness for the target audience and the community.

**Key words:** *advertisement, promotion, trust, organic food.*

### I. Introduction

During the current integration and development of a market economy, competition is a vital element or 'success or failure' for every business. Therefore, in order to stand firmly in such a fiercely competitive environment, every business needs to build up trusts towards its customers for their products. It can be said that trust for products and brands of enterprises is an extremely valuable intangible assets that businesses need to preserve. Sandro (2007) stated that trust of customers is competitive strength, almost inimitable, easy to lose but very difficult to rebuild it and credibility is the awareness of customer loyalty.

Customer's trust plays an extremely important role in the success of the business. However, with the currently competitive environment, customers are easily attacked by a huge amount of information from marketing strategies. However, with their intelligence and understanding, customers are not easily "enticed" by the messages from the marketing strategies of the manufacturer. Moreover, with the frequency as well as marketing activities that are happening in the market, it is complicated that there are many questions that force businesses to answer. For instance, Can customers easily trust products through promotion activities or not? How do marketing activities affect customer confidence? Does customer's confidence increase for products?

Therefore, the study is to determine factors of marketing activities which have impacts on the trust of organic foods in The Mekong Delta to assess in an authentic way. The impact of marketing activities on customer's confidence in organic foods in particular as well as all products of other businesses are circulating in the market in general.

### 2. Rationale and research model

## **2.1. Theoretical basis**

### **2.1.1. Organic Food**

According to the US Department of Agriculture (USDA) Organic food are foods produced by standards of organic agriculture and organic methods.

Standards of organic food are different in the world. However, organic agriculture in general is always geared towards farming, promoting ecological balance, towards sustainability, increasing soil fertility and conserving biodiversity. Organic vegetables are agricultural products that do not use chemical fertilizers, pesticides, herbicides, growth hormones ... Organic animals must be kept in a clean environment (grass or pond, no pesticides, chemical fertilizers, chemicals) ... Animal feed must be organic, not using growth hormones or antibiotics in contravention of regulations. Organic foods (processed) must use organic materials for processing, irradiation, industrial solvents and synthetic additives (Le Minh Nguyet, 2019).

### **2.1.2. Role and importance of trust**

Sandra & Robinson (1996) defined the most inclusive trust as follow: "Trustees expect trust, trust and expectation of recipients. the trust will bring benefits, advantages, or at least not cause disadvantages to them".

In addition, customers' trust is extremely important to the success and failure of a business. In addition, to serve businesses, especially for financial services, insurance, etc., the issue of customers' trust is even more important (Chris & Adina, 2010). Coulter and Coulter (2003) stated that having a firm belief in their financial institution is more important than getting more interest, and they explained that the abstraction of most products and services and to build and regain customers' trust is extremely difficult for businesses.

### **2.1.3. The relationship between Promotions and Personal Sales with customers' trust**

Consumers may know about a promotion about a product but not change their consumption (Begoña & Rodolfo, 2006).

John and Michael (1998), Andaleeb and Anwar (1996) argued that salespeople have a certain influence in developing customer confidence in products and businesses, as well as having an impact on Maintain relationships with customers. In addition, promotion is the most influential tool in the product / brand selection process. Promotion is the marketing activity supporting sales in a way that increases the value of temporary products to stimulate consumption in the short term. Promotions come in many forms, in which promotion prices are often mentioned, even in many cases when referring to promotions, they are interpreted as price promotions (Begoña & Rodolfo, 2006).

### **2.1.4. The relationship between advertising and customers' trust**

Lafferty and Goldsmith (1999) asserts that consumer attitudes towards advertising media are an important factor affecting belief formation and product consumption behavior.

Le Thi Thu Trang and Tran Nguyen Toan Trung (2014) believed that the element of advertising message, if it conveys the content of the product, will have a certain impact on the perceived value and consumer behavior of the customer.

Yasin and Kadir (2008) pointed out an interesting and entertaining advertising message that would have a positive effect on building consumer confidence in the product.

Pham Minh Tien and Le Quoc Hieu (2015) affirmed that the quality of published information is one of the most influential factors in establishing consumer confidence.

According to Phuong Lien (2015), the appearance of advertising plays a very important role because it is a reminder tool, imprinted on consumers' minds about product presence, consolidation and construction. Consumer confidence in the product.

### 2.1.5. Relationship between Public Relations and customers' trust

Establishing, maintaining relationships with stakeholders and increasing their credibility is the main and most important goal of relationship implementation. public of any organization (Rawlins, 2007). Anderson (1971) stated that (i) *Reliability of information* and (ii) *The expertise of public relations* are the two most important factors to establish trust in customers and partners. However, Ohanian (1990) added the element *of the Public Relations Activity* to their research and concluded that the three key elements of public relations performance have an impact on establishing The credibility of customers is: (i) *Reliability of information*, (ii) *The professionalism of the operation* and (iii) *The attractiveness of the operation*.

Ngo Thi Hien (2007), Moi Ali (2001) argued that public relations activities are not aimed at community interests and social responsibility often attracts consumers' attention.

### 2.2. Research model proposed

This study was built after the author brief a number of Vietnamese and foreign research papers, articles and topics and synthesize the elements of advertising and public relations in turn as follows: (i) *Advertising media*, (ii) *Advertising message*, (iii) *Quality of advertising information*, (iv) *Advertising frequency*, (v) *PR operation mode*, (vi) *Quality of PR activity information*, (vii) *Property Benefits of PR activities*.

Accordingly, the hypotheses and research models of the thesis are built as follows:

#### Research hypothesis:

**Advertising means** : Lafferty & Goldsmith (1999) affirmed that the attitude of consumers towards means of advertising. It is an important factor affecting the formation of trust and consumer behavior. Thus, the hypothesis for this factor is built as follows:

*H1: The higher the customer 's feeling has towards the advertising medium, the higher the confident level of customer has in the product.*

**Advertising message**: Yasin & Kadir (2008) think that an interesting and entertaining advertising message will have a positive effect in building customer trust in products. Since then, we have the following hypothesis:

*H2: The higher the customer perception of the advertising message, the higher the level of customer confidence in the product*

**Quality of information published from advertising**: Shavitt (1999) affirms that highly reliable advertising information will have a significant impact on consumer acceptance of the product when their initial attitude is detrimental. Therefore, the assumption for this factor is:

*H3: The higher the customer's perception of the quality of the published information, the higher the level of customer confidence in the product*

**The frequency of advertising** plays a very important role as it is a reminder tool, imprinted on consumers' minds about the presence of products, reinforcing and building consumer confidence for products (Phuong Lien, 2015). So the hypothesis is given to factors such as the following:

*H4: Feeling of customers for frequency of advertising the higher the level of trust of customers for Product higher*

**Forms of PR activities** : According to Moi Ali (2001), if the customer appreciates the PR program that an organization brings, it means that the image and products of the company will create a better impression in the minds of customers. Therefore, the hypothesis given for this factor is as follows:

*H5: The higher the customer's perception of the form of PR activities, the higher the level of customer confidence in the product*

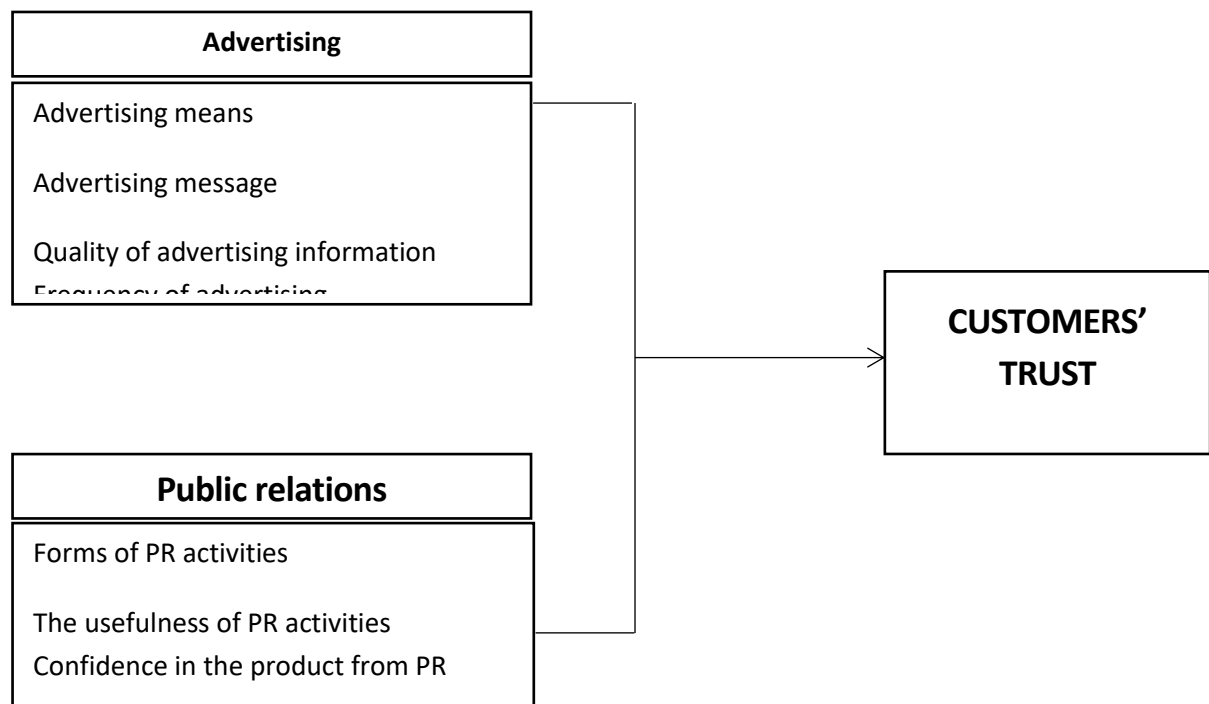
**The usefulness of PR activities:** According to Ngo Thi Hien (2007) and Moi Ali (2001), the establishment of funds for studying burns and funds to support poor children or activities aimed at protecting the environment ... has always attracted the attention of many. mass island. Therefore, the hypothesis for this factor is as follows:

*H6: The higher the customer perception of the usefulness of PR activities, the higher the level of customer confidence in the product*

**Confidence in the product from PR:** According to Ngo Thi Hien (2007), PR activities are an opportunity for enterprises to update and provide more information about themselves. This is an opportunity for businesses to improve their reputation and build trust of customers. Therefore, the hypothesis for this factor is built as follows:

*H7: The higher the customer perception of the quality of published information, the higher the level of customer confidence in the product*

It can be seen that the elements of the Advertising and Public Relations tool are reviewed by the author from previous studies and the research hypotheses for the topic as mentioned above are not comprehensive. specific elements of Advertising and Public Relations tools. But these are outstanding factors, mentioned by the authors, analyzed in many recent research papers and topics. Therefore, the author has selected these factors to include in his research model.



**Figure 1:** Research model on the impact of marketing activities on customers' credit level on organic food

### 3. Research methodology

#### 3.1 Methods of data collection

This study use selection methods Convenient sample with geographical stratification criteria is to interview 300 consumers in the Mekong Delta region to view advertising activities, participating in PR activities of organic food trading companies by questionnaires prepared.

#### 3.2 Methods of data analysis

The analytical methods are used in solving the objectives, testing the research hypotheses of the topic,

including: descriptive statistical methods, analysis of examination factors breaking (EFA) and multiple linear regression analysis.

#### 4. Results and discussion

##### 4.1. Analyzing the reliability of the elevator through cronbach'alpha coefficients

According to Hoang Trong and Chu Nguyen Mong Ngoc (2008), Cronbach's Alpha coefficient has a value from 0.8 to nearly 1 indicating a very good measurement scale. ; From 0.7 to nearly 0.8 indicates that the usable scale and Cronbach's Alpha with a value of 0.6 or more are usable in case the concept is new or new to respondents in the research context.

The results of Cronbach's Alpha analysis on the elements of Advertising and Public Relations affect the credit level of customers are summarized based on two factors: Total variable (Item - Total Correlation) and Cronbach's Alpha if variable (Cronbach's Alpha if Item Deleted) is as follows: in all scales including: (1) Advertising means; (2) Advertising message; (3) Quality of advertising information; (4) Frequency of advertising; (5) PR activities; (6) Usefulness of PR activities; (7) Quality of information on PR activities and (8) Trust level has Cronbach's Alpha coefficient of over 0.6. With the above Cronbach's Alpha values, the measurement scales are usable in the research context of the topic (Nunnally & Burnstein, 1994)

**Table 1:** Results of the analysis of the last Cronbach's Alpha coefficient

Theobserved	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Advertising means <i>Cronbach's Alpha total = 0,810</i>				
PTQC1	10,58	5,963	0,644	0,76
PTQC2	10,55	5,218	0,602	0,778
PTQC3	10,76	6,014	0,634	0,765
PTQC4	10,61	4,747	0,674	0,743
Advertising message <i>Cronbach's Alpha total = 0,43</i>				
TDQC1	7,11	3,198	0,585	0,639
TDQC2	7,2	3,577	0,496	0,737
TDQC3	7,3	2,805	0,632	0,579
Quality of advertising information <i>Cronbach's Alpha total = 0,913</i>				
CLTTQC1	11,2	11,246	0,827	0,878
CLTTQC2	11,4	11,431	0,759	0,903
CLTTQC3	11,16	11,018	0,838	0,874
CLTTQC4	11,26	12,178	0,788	0,893
Frequency of advertising <i>Cronbach's Alpha total = 0,922</i>				
TSQC1	10,56	6,803	0,875	0,879

TSQC2	10,66	7,167	0,82	0,899
TSQC3	10,74	7,486	0,748	0,923
TSQC4	10,59	7,179	0,839	0,893
PR activities <i>Cronbach's Alpha total = 0,816</i>				
HTPR1	6,1	2,779	0,706	0,709
HTPR2	6,02	2,769	0,798	0,627
HTPR3	6	2,89	0,531	0,9
Usefulness of PR activities <i>Cronbach's Alpha total = 0,928</i>				
HIPR1	9,97	8,955	0,799	0,917
HIPR2	9,99	8,709	0,817	0,912
HIPR3	9,88	8,57	0,853	0,9
HIPR4	9,87	9,083	0,866	0,897
Quality of information on PR activities <i>Cronbach's Alpha total = 0,917</i>				
CLTPR1	10,25	4,877	0,806	0,894
CLTPR2	10,29	4,855	0,815	0,891
CLTPR3	10,11	4,736	0,814	0,891
CLTPR4	10,15	4,848	0,805	0,894
<i>Trust level Cronbach's Alpha total = 0,806</i>				
MDTN1	6,73	2,492	0,78	0,603
MDTM2	6,66	3,314	0,495	0,88
MDTN3	6,61	2,206	0,722	0,665

## 4.2. Analysis of discovering factors (EFA)

### 4.2.1. Independent variables

Test results of correlation between factors, we have  $KMO = 0.798 > 0.5$ ; Sig. Bartlett's Test test = 0,000 < 0.05. Hypothesis  $H_0$  is completely rejected at the significance level  $\alpha = 5\%$  or the variables are correlated with each other and perfectly consistent with the exploratory factor analysis. This is followed by the factor matrix with the Varimax rotation shown in the following table:

**Table 2.** Results of the rotated factor matrix (last revised)

Theobserved	Group factor			
	1	2	3	4

CLTTQC1	0,871			
CLTTQC2	0,87			
CLTTQC3	0,839			
CLTTQC4	0,811	0,817		
HIPR2		0,868		
HIPR3		0,856		
HIPR1		0,844		
HTPR2			0,911	
HTPR1			0,883	
HTPR3			0,691	
CLTTPR1				0,941
CLTTPR2				0,933
<b>Eiginvalue</b>	5,452	1,782	1,393	1,292
<b>Cumulative (%)</b>	45,44	60,29	71,90	82,66

The factor analysis table showed that all 12 out of 26 variables met the requirements of EFA, if the Eiginvalue criteria for the analysis were  $1,292 > 1$ , 12/26 observations were withdrawn to 4 factors. In this table, we also see the accumulative variance of Cumulative by  $82,66\% > 50\%$  so 4 factors are extracted to explain nearly 83% variation of data (percentage of variance). The factor load factor of all variables is greater than 0,5 and satisfies the requirement of this research requirement.

#### 4.3.2 Dependent variable

We have results of KMO coefficient testing =  $0,632 > 0,5$ ; Sig. Bartlett's Test test =  $0,000 < 0,05$ . Hypothesis  $H_0$  is completely rejected at the significance level  $\alpha = 5\%$  or the variables are correlated with each other and perfectly consistent with the exploratory factor analysis.

From the results table In the above factor, it can be seen that all three observed variables have factor loadings greater than 0.5 and satisfactory in factor analysis.

#### 4.4 Analytical analysis

The results showed that the coefficient of determination  $R^2 = 0,863$  and the correction factor  $R^2$  in the model is 0,861. In addition, the F-test sees the significance level of Sig = 0,000 which indicates that the model's relevance is 86,1% or in other words the independent variables explain 86.1% of the variance of the sub-variable. belong.

To consider the effect of each factor on the dependent variable, we consider the following regression weight table:

**Table 4:** Regression weight table (Coefficients<sup>a</sup>)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			T	VIF
Constant	0,076	0,090		0,836	0,404		
CLQC	0,008	0,020	0,011	0,380	0,704	0,540	1,851
HTPR	0,046	0,023	0,049	1,984	0,048	0,774	1,292
HIPR	0,474	0,022	0,633	21,876	0,000	0,556	1,800
CLPR	0,426	0,029	0,392	14,506	0,000	0,636	1,573

From the regression results above, we have The regression function is rewritten as follows:

$$\text{MDTN} = 0,3046 * \text{HTPR} + 0,474 * \text{HIPR} + 0,426 * \text{CLPR}$$

Considering the regression table we see three factors: HTPR (PR operation mode), HIPR ( usefulness of PR activities and CLPR (quality of PR activities) have a positive impact on the dependent variable of MDTN because the regression weight B of these four factors is statistically significant ( $p < 0,05$ ). If considering the impact of these four factors on the MDTN dependent variable, we have in turn the order of high to low effects of each factor corresponding to the standardized beta level as follows: HIPR ( $\beta = 0,633$ ), CLPR ( $\beta = 0,392$ ) and finally HTPR ( $\beta = 0,049$ ). In addition, multicollinearity tests with VIF values are less than 2, indicating that the variables in the model do not have multicollinearity phenomenon.

## 5. Conclusion

The research applied the theoretical basis of marketing, credibility and especially clarifying the relationship between satisfaction and trust of customers, thereby affirming the importance of credibility in creating, maintaining strong relationships with existing customers and new customers, and gradually creating present values and future potential values for developing the business. Additionally, this study reviewed previous domestic and foreign studies on the relationship between Advertising and Public Relations tools with the level of trust from which the authors synthesized and proposed the research model.

The study proposed some relevant governance implications to improve the effectiveness of the implementation of Advertising tools and Public Relations of enterprises in the market, namely: customer perceptions for with PR mode of operation, the usefulness of PR activities and the higher the PR quality, the higher the level of customer confidence in the product.

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