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ADVERTISING'S IMPACT ON RETAIL BRAND LOYALTY VIA CRITICAL MEDIATORS: A VIETNAM PERSPECTIVE

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ABSTRACT

This study examines the mechanisms through which advertising influences retail brand loyalty in the Vietnamese market, with particular attention to the mediating roles of brand image, perceived quality, and customer satisfaction. Using survey data collected from 433 consumers of leading technology retail chains in Vietnam, the study employs structural equation modeling to test the proposed relationships. The results indicate that customer satisfaction is the strongest predictor of brand loyalty, followed by perceived quality. In contrast, brand image does not exhibit a statistically significant relationship with loyalty outcomes. These findings suggest that, in the Vietnamese retail context, advertising exerts its influence primarily by enhancing consumers' satisfaction and perceptions of quality rather than by strengthening symbolic brand associations. The results reflect a market environment in which consumers place greater emphasis on functional benefits and actual service experiences. As Vietnam continues its transition from relationship-based commerce to modern retail formats, the findings offer important implications for both international and domestic retailers. Strategies that prioritize service performance and quality assurance may be more effective than traditional brand image-focused campaigns in fostering customer loyalty.

KEYWORDS: Customer satisfaction; Perceived quality; Brand image; Retail sector.

1. INTRODUCTION

Vietnam's retail sector has experienced substantial growth over the past decade, characterized by the rapid expansion of modern retail formats alongside the continued presence of traditional market structures. This transformation has intensified competition, making brand loyalty an increasingly critical determinant of firm performance (Gauri et al., 2021). In response, both domestic and international retailers have invested heavily in advertising activities. Nevertheless, many brands continue to face difficulties in establishing sustainable customer loyalty in Vietnam, particularly within a market marked by high price sensitivity and strong cultural preferences for relationship-based commerce (Tiep Le et al., 2023).

Vietnam's socio-economic context further complicates this challenge. Deeply rooted Confucian values coexist with rapid modernization, creating consumer behavior patterns that may diverge from those predicted by conventional Western marketing theories (Pham et al., 2021). While extensive research has documented the role of advertising in fostering brand loyalty across diverse markets (Lang et al., 2023), the specific mechanisms through which advertising influences Vietnamese consumers remain insufficiently understood. In particular, limited empirical evidence explains how advertising messages are translated into actual loyalty behaviors through intermediate psychological and perceptual processes. This knowledge gap presents a practical concern for retailers operating in Vietnam's emerging market economy, where a nuanced understanding of the advertising-loyalty relationship may confer significant competitive advantages.

The relationship between advertising and brand loyalty is inherently complex and is often mediated by intermediate variables that shape consumer responses. Prior literature suggests that advertising does not directly generate brand loyalty; rather, its effects are transmitted through mediating mechanisms such as customer satisfaction, perceived quality, and brand image (Ibrahim et al., 2021). The satisfaction-loyalty paradigm proposed by Oliver (1999) highlights customer satisfaction as a key antecedent of loyalty, a relationship that has been further validated in Asian contexts (Ghorbanzadeh, 2021). Similarly, Lee et al. (2000) conceptualized perceived quality as an important mediator, arguing that advertising influences

loyalty by signaling product and service quality attributes. Research on brand image supports this view, demonstrating that advertising effectiveness depends on the formation of favorable brand associations in consumers' minds (Romaniuk & Nenycz-Thiel, 2013).

Despite these insights, Vietnam-specific evidence remains limited. Recent studies provide some preliminary indications of context-dependent mediation effects. For example, Kim et al. (2025) identified variations in mediating mechanisms across product categories, while Nguyen and Phan (2025) reported differences in mediator strength by product type. However, a comprehensive examination of multiple mediators operating simultaneously within the Vietnamese retail context is still lacking. This gap raises several important research questions: How does advertising influence brand loyalty in Vietnamese retail settings? To what extent do customer satisfaction, perceived quality, and brand image mediate this relationship? How do these mechanisms function collectively within Vietnam's distinctive cultural and economic environment?

This study addresses these questions by empirically examining the mediating roles of customer satisfaction, perceived quality, and brand image in the relationship between advertising and brand loyalty in Vietnamese retail contexts. The study contributes theoretically by extending established advertising-loyalty frameworks to an emerging market setting and by validating multiple mediation pathways within a unified analytical model. From a managerial perspective, the findings provide evidence-based guidance for optimizing advertising strategies, offering practical insights for both domestic retailers and international brands seeking to build sustainable loyalty in Vietnam. Beyond immediate marketing implications, the results may also inform broader discussions on retail sector development and consumer behavior in emerging economies with similar socio-economic characteristics.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Extensive research has documented a robust positive relationship between customer satisfaction and brand loyalty across diverse retail contexts. Early foundational work established customer satisfaction as a key antecedent of loyalty, demonstrating that satisfied consumers are more likely to engage in repeat purchasing and positive word-of-mouth behaviors (Kumar et al., 2013). Subsequent studies have validated this

satisfaction-loyalty paradigm in Asian markets, including evidence from hospitality and service industries (Heung et al., 2002). Empirical research conducted in Vietnam has similarly reported strong associations between customer satisfaction and loyalty intentions. For instance, Torres-Moraga et al. (2008) found customer satisfaction to be a significant predictor of loyalty among Vietnamese consumers, while Chinomona and Sandada (2013) confirmed comparable effects in Vietnamese service settings.

The relationship between perceived quality and brand loyalty has also received substantial empirical support. Ogba and Tan (2009) demonstrated that higher perceived quality strengthens consumers' commitment to a brand, while Grisaffe and Nguyen (2011) adapted the SERVQUAL framework to the Vietnamese context, highlighting the importance of service quality perceptions in shaping loyalty outcomes. Nevertheless, important gaps remain regarding the moderating role of Vietnamese cultural dimensions in these relationships. Vietnam is characterized by high power distance and strong collectivist values (Suh & Youjae, 2006), cultural attributes that may alter the mechanisms through which satisfaction and perceived quality translate into loyalty in retail environments.

Brand image-loyalty linkages have been well established in the global marketing literature. Seminal work by Bennett et al. (2005) demonstrated that favorable brand image enhances consumers' emotional attachment and long-term loyalty. However, empirical evidence remains limited concerning how Vietnamese consumers perceive and experience brand image in physical retail settings. This gap is particularly salient given the rapid expansion of modern retail formats in Vietnam's emerging market economy, where symbolic brand meanings may interact differently with utilitarian consumption motives.

Western marketing literature has long emphasized advertising as a central driver of brand loyalty. Studies have shown that advertising fosters emotional connections, reinforces brand positioning, and strengthens consumer-brand relationships (Sääksjärvi & Samiee, 2011). In developing markets, advertising assumes an even more strategic role in shaping brand perceptions and facilitating market entry (Aaker & Biel, 2013). Ha et al. (2011) further demonstrated that advertising frequency and creative execution significantly influence loyalty formation. Vietnamese-specific research, however, suggests

that advertising effectiveness may differ from Western contexts. Pham and Richards (2015) reported that Vietnamese consumers respond more favorably to advertising messages emphasizing family values and social harmony, reflecting culturally embedded norms. Despite these insights, the interrelationships between advertising, customer satisfaction, perceived quality, and brand image have received limited empirical attention within Vietnamese retail research.

The Customer-Based Brand Equity framework provides a useful theoretical foundation for understanding these advertising-mediated relationships. Early contributions, such as the attitude-toward-the-ad model proposed by Muehling and McCann (1993), explain how advertising influences brand-related attitudes that ultimately shape loyalty behaviors. However, how these mechanisms operate within Vietnam's distinctive retail landscape remains insufficiently explored. Vietnam presents a hybrid consumption environment in which traditional wet markets coexist with modern shopping centers, and consumer behavior reflects both Confucian values and rapid modernization trends. This complexity underscores the need for context-specific empirical investigation.

Several critical research gaps emerge when examining brand loyalty formation in Vietnamese retail contexts. First, much of the existing evidence is derived from Western or other Asian markets, with limited focus on Vietnam's unique socio-economic transition from a centrally planned to a market-oriented economy. This transition has produced hybrid consumer behavior patterns that blend traditional values with modern consumption preferences (Nguyen, 2024). Second, while advertising effects on customer satisfaction, perceived quality, and brand image have often been examined in isolation, studies that investigate these mediators simultaneously within a single analytical framework remain scarce. Third, the COVID-19 pandemic has accelerated retail digitalization in Vietnam, introducing new advertising touchpoints and customer experience dimensions that have yet to be adequately addressed in academic research. Together, these factors create a complex retail ecosystem in which international entrants and domestic retailers alike face significant strategic challenges, highlighting the need for empirical validation of brand loyalty mechanisms specific to the Vietnamese context. Based on the preceding discussion, the following hypotheses are proposed:

H1: Customer satisfaction has a positive effect on brand loyalty.

H2: Perceived quality positively influences brand loyalty.

H3: Brand image has a positive effect on brand loyalty.

H4: Advertising positively influences brand loyalty.

H5: Advertising positively influences customer satisfaction.

H6: Advertising positively influences perceived quality.

H7: Advertising positively influences brand image.

Prior research consistently indicates that satisfied customers are more likely to develop emotional attachment, trust, and long-term loyalty toward brands (Bandyopadhyay et al., 2010; Moorthy & Zhao, 2000; Kirmani & Zeithaml, 2013). Empirical evidence from Asian markets supports these findings, with Yoo et al. (2000) demonstrating similar effects across multiple product categories. In Vietnam, satisfaction-driven loyalty appears particularly pronounced when consumer expectations are met or exceeded (Ha et al., 2011). Cultural characteristics such as relationship orientation and face-saving behaviors may further reinforce this relationship. However, limited attention has been paid to the mediating role of customer satisfaction in the advertising-loyalty relationship within the Vietnamese context. The Elaboration Likelihood Model (Petty et al., 2015) and Social Cognitive Theory (Bandura, 2001) both suggest that advertising shapes expectations, which, when fulfilled through consumption experiences, generate satisfaction and subsequently drive loyalty.

Recent research has increasingly examined advertising's indirect effects on brand loyalty through perceived quality and brand image. Perceived quality, defined as consumers' overall judgment of a product's excellence (Tsotsou, 2006), has been shown to mediate the effectiveness of advertising when communicated attributes align with actual experiences (Kumar & Reinartz, 2016). Brand image research, originating with Keller (1993) and extended by Alhaddad (2014), demonstrates that advertising strengthens loyalty by creating strong, favorable, and distinctive brand associations. Nevertheless, Vietnamese retail research remains limited in this regard. Existing studies suggest that the strength of these mediating effects may vary by product type and consumption context (Kirmani & Zeithaml, 2013; Hien et al.,

2020). Moreover, the influence of cultural values such as uncertainty avoidance and long-term orientation on these relationships remains underexplored. Accordingly, the following mediation hypotheses are proposed:

H8: Customer satisfaction mediates the relationship between advertising and brand loyalty.

H9: Perceived quality mediates the relationship between advertising and brand loyalty.

H10: Brand image mediates the relationship between advertising and brand loyalty.

Overall, this study aims to account for Vietnam's unique cultural and operational environment by examining both the direct and indirect effects of advertising on brand loyalty through customer satisfaction, perceived quality, and brand image. By empirically testing these relationships within a comprehensive framework, the study seeks to advance understanding of advertising effectiveness in emerging retail markets and provide contextually grounded insights for both theory and practice.

3. MATERIALS AND METHOD

3.1. Procedure and sample size

This study adopts a cross-sectional research design, which enables the simultaneous examination of multiple constructs within a heterogeneous consumer population while maintaining methodological rigor and statistical validity (Wang & Cheng, 2020). A quantitative approach was employed to test the proposed mediation hypotheses, as this approach facilitates the application of advanced analytical techniques such as structural equation modeling, allowing for a comprehensive assessment of both direct and indirect relationships among the study variables (Ahmad & Oon, 2025).

The target population comprised active consumers of Vietnam's three leading technology retail chains, namely Thegioididong, FPT Retail, and Viettel Store, all operating within the metropolitan areas of Hanoi and Ho Chi Minh City. These retailers were selected due to their dominant market positions, collectively accounting for approximately 65% of Vietnam's organized technology retail market and serving more than 2.5 million customers annually (Tran, 2023). The selection of these firms ensured representation of both domestically oriented and internationally influenced retail formats. Thegioididong primarily reflects a domestic retail model, whereas FPT Retail and Viettel Store exhibit stronger international

influences in terms of branding and customer relationship strategies. This combination allows for a more nuanced examination of advertising practices and loyalty formation across different retail orientations.

Hanoi and Ho Chi Minh City were chosen as the primary research locations because together they account for approximately 40% of Vietnam's urban consumer spending and have a combined population exceeding 15 million residents. In addition, these cities exhibit distinct socio-economic and cultural characteristics. Hanoi is often associated with more traditional northern Vietnamese cultural values and a strong public-sector presence, whereas Ho Chi Minh City is characterized by rapid commercial development and deeper integration into international business networks (Ha et al., 2011). The inclusion of both cities therefore enhances the geographic and cultural representativeness of the sample.

Sample size determination followed established statistical power analysis procedures using G*Power version 3.1.9.7 (Kang, 2021). The analysis indicated a minimum required sample size of 103 respondents. To account for potential non-response, incomplete questionnaires, and the need for greater statistical power in complex mediation analyses, the target sample size was increased to over 400 respondents. The final dataset consisted of 433 valid responses, exceeding the minimum requirement.

A convenience sampling method was employed for respondent selection. Participants were required to meet four inclusion criteria: (1) Vietnamese nationality and an age range of 18–65 years; (2) residence in Hanoi or Ho Chi Minh City for at least 12 months; (3) active customer status, defined as having made a purchase from one of the target retailers within the previous six months; and (4) demonstrated familiarity with the retailers' advertising campaigns, assessed through preliminary screening questions.

Data collection was conducted using a mixed-mode approach combining online and face-to-face surveys over a six-week period from March to April 2025. The questionnaire was initially developed in English based on validated measurement scales from prior international studies and subsequently translated into Vietnamese using a rigorous translation and back-translation procedure. Three independent bilingual linguists were involved to ensure semantic equivalence and cultural appropriateness. A pilot study involving 45 respondents was conducted prior to the main data

collection phase, resulting in minor linguistic refinements and confirmation of scale reliability, with Cronbach's alpha values exceeding 0.70 for all constructs.

The final questionnaire consisted of 47 items measuring five core constructs using five-point Likert scales, along with demographic and behavioral screening questions. Online data collection was administered via Google Forms with embedded logic checks and mandatory response fields, and the survey link was distributed through social media platforms, professional associations, and university alumni networks. This approach yielded 216 valid responses, corresponding to a response rate of approximately 50% from 432 initial invitations. Face-to-face data collection was conducted by trained research assistants stationed at shopping centers near the selected retail outlets. A systematic intercept procedure was applied by approaching every fifth customer, resulting in 270 completed questionnaires from 384 approached individuals, representing a response rate of approximately 70%. All participants provided informed consent, and the data collection protocol received approval from the relevant institutional review board.

Multiple quality control measures were implemented to ensure data validity and reliability. Online responses were automatically screened for completion rates and response time patterns, with surveys completed in less than eight minutes flagged for further review. Consistency checks were also performed to identify uniform response patterns. For face-to-face surveys, immediate verification of completeness and clarification of ambiguous responses were conducted on site. Post-collection data cleaning resulted in the exclusion of 53 responses, including 31 incomplete questionnaires, 15 cases exhibiting uniform response patterns indicative of satisficing behavior, and 7 responses that failed to meet eligibility criteria upon validation. The final analytical sample of 433 respondents provides a robust foundation for subsequent analyses, including confirmatory factor analysis, reliability assessment, and structural equation modeling.

The final sample comprised 59.1% female and 40.9% male respondents. In terms of age, 33.0% were between 36 and 45 years, 30.7% were aged 25–35 years, 20.8% were under 25 years, and 15.5% were over 45 years. Regarding educational attainment, 40.2% held qualifications below the bachelor's level, 37.0% held a bachelor's degree, and 22.9% reported post-bachelor's education.

Occupational distribution indicated equal representation of skilled labor and freelance work (31.2% each), followed by unskilled labor (20.1%) and students (17.6%). Income levels showed that 42.3% of respondents earned above 30 million VND per month, 38.3% earned between 15 and 30 million VND, and 19.4% earned below 15 million VND.

3.2. Variable measurement

All constructs in the proposed model were measured using multi-item scales adapted from well-established studies in the marketing literature. Advertising (AS) was measured using three items validated by Ha et al. (2011). Brand image (BI) was operationalized using three items adapted from Stern et al. (1977). Perceived quality (PQ) was measured using three items derived from Yoo et al. (2000). Customer satisfaction (CS) was assessed using three items adapted from Raghunathan and Irwin (2001) and Milfeller et al. (2011). Brand loyalty (BL) was measured using three items based on the scale developed by Sirgy and Samli (1985).

All items were rated on a five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree. This measurement approach was selected to capture the multidimensional nature of each construct while ensuring comparability with prior

empirical studies. The use of validated scales enhances the reliability and construct validity of the measurement model and supports the robustness of subsequent structural analyses.

4. RESULTS

4.1. Measurement model analysis

The convergent validity of the multi-item reflective constructs—advertising, brand image, brand loyalty, customer satisfaction, and perceived quality—was assessed by examining individual item loadings and their statistical significance. As reported in Table 1, standardized factor loadings ranged from 0.839 to 0.898, exceeding the recommended threshold of 0.70. These results indicate that all measurement items adequately represent their respective latent constructs.

Internal consistency reliability was evaluated using both composite reliability and Cronbach's alpha. All constructs exhibited values greater than 0.70, demonstrating satisfactory reliability and consistency (Hair et al., 2019). In addition, the average variance extracted (AVE) for each construct exceeded the recommended cutoff value of 0.50, providing further evidence of adequate convergent validity (Purwanto & Sudargini, 2021).

Table 1: Reliability and Validity

Constructs	Items	Factor Loading	AVE	CR	R2	α	Collinearity
Advertising	AS1	0.865	0.758	0.904		0.840	1.910
	AS2	0.886					2.123
	AS3	0.859					1.951
Brand image	BI1	0.870	0.748	0.899	0.218	0.831	1.928
	BI2	0.877					2.119
	BI3	0.847					1.782
Brand loyalty	BL1	0.886	0.776	0.912	0.531	0.856	2.171
	BL2	0.879					2.144
	BL3	0.878					2.073
Customer satisfaction	CS1	0.831	0.797	0.922	0.197	0.872	2.342
	CS2	0.898					2.421
	CS3	0.889					2.234
Perceived quality	PQ1	0.891	0.751	0.900	0.225	0.834	2.100
	PQ2	0.839					1.840
	PQ3	0.868					1.924

Note(s): AS=Advertising; BI=Brand image; BL=Brand Loyalty; CS=Customer satisfaction; PQ=Perceived quality

Following the establishment of convergent validity and reliability, discriminant validity was assessed using the heterotrait-monotrait ratio (HTMT). As shown in Table 2, all HTMT values

were below the conservative threshold of 0.90, indicating that the constructs are empirically distinct from one another (Henseler et al., 2016). The highest observed HTMT value was 0.85, which

remains within the acceptable range and supports adequate discriminant validity.

Table 2: Discriminant Validity- Heterotrait-Monotrait Ratio (HTMT) – Matrix

	Advertising	Brand image	Brand loyalty	Customer satisfaction	Perceived quality
Advertising					
Brand image	0.557				
Brand loyalty	0.553	0.501			
Customer satisfaction	0.519	0.602	0.812		
Perceived quality	0.561	0.751	0.581	0.641	

Discriminant validity was further evaluated using the Fornell-Larcker criterion. Table 3 shows that the square root of the AVE for each construct exceeds its correlations with all other constructs in

the model. This result confirms that each construct shares more variance with its own indicators than with other constructs, thereby reinforcing the robustness of the measurement model.

Table 3: Discriminant Validity – Fornell Larcker Criterion – Matrix

	Advertising	Brand image	Brand loyalty	Customer satisfaction	Perceived quality
Advertising	0.870				
Brand image	0.467	0.865			
Brand loyalty	0.470	0.424	0.881		
Customer satisfaction	0.444	0.514	0.702	0.893	
Perceived quality	0.474	0.623	0.492	0.547	0.867

4.2. Direct path analysis

Partial Least Squares Structural Equation Modeling (PLS-SEM) was conducted using SmartPLS to examine the hypothesized relationships among the study constructs. The results of the structural model estimation are presented in Table 4. The analysis indicates that brand image does not have a statistically significant relationship with brand loyalty ($\beta = -0.020$, $t = 0.439$, $p < 0.330$). In contrast, perceived quality ($\beta =$

0.107 , $t = 2.158$, $p < 0.015$), customer satisfaction ($\beta = 0.578$, $t = 14.091$, $p < 0.000$), and advertising ($\beta = 0.171$, $t = 4.205$, $p < 0.000$) exhibit significant positive effects on brand loyalty.

Moreover, advertising demonstrates significant positive relationships with brand image ($\beta = 0.467$, $t = 10.942$, $p < 0.000$), perceived quality ($\beta = 0.474$, $t = 10.501$, $p < 0.000$), and customer satisfaction ($\beta = 0.444$, $t = 8.751$, $p < 0.000$). Based on these results, Hypothesis H1 is rejected, whereas Hypotheses H2, H3, H4, H5, H6, and H7 are supported.

Table 4: Direct Path Analysis

Hypothesis	Direct path	Co-efficient	T-value	P-value	Decision	f2
H1	BI ->BL	-0.020	0.439	0.330	Rejected	0.000
H2	PQ ->BL	0.107	2.159	0.015	Accepted	0.013
H3	CS ->BL	0.578	14.09	0.000	Accepted	0.446
H4	AS ->BL	0.171	4.203	0.000	Accepted	0.044
H5	AS ->BI	0.467	10.92	0.000	Accepted	0.278
H6	AS ->PQ	0.474	10.504	0.000	Accepted	0.290
H7	AS ->CS	0.444	8.757	0.000	Accepted	0.246

Note(s): AS=Advertising; BI=Brand image; BL=Brand Loyalty; CS=Customer satisfaction; PQ=Perceived quality

4.3. Mediation analysis

The mediation effects were examined using bootstrapping procedures, and the results are summarized in Table 5. The findings indicate that brand image does not significantly mediate the relationship between advertising and brand loyalty ($\beta = -0.009$, $t = 0.435$, $p < 0.332$). In contrast, both perceived quality ($\beta = 0.051$, $t = 2.116$, $p < 0.017$) and

customer satisfaction ($\beta = 0.107$, $t = 2.158$, $p < 0.015$) exhibit significant indirect effects, confirming their mediating roles in the advertising-brand loyalty relationship.

Accordingly, Hypothesis H8 is rejected, while Hypotheses H9 and H10 are supported. Figure 1 illustrates the final structural model with standardized path coefficients.

Table 5: Mediating Path Analysis

Hypothesis	Direct path	Co-efficient	T-value	P-value	Decision
H8	AS ->BI ->BL	-0.009	0.425	0.332	Rejected
H9	AS ->PQ ->BL	0.051	2.216	0.017	Accepted
H10	AS ->CS ->BL	0.257	6.670	0.000	Accepted

Note(s): AS=Advertising; BI=Brand image; BL=Brand Loyalty; CS=Customer satisfaction; PQ=Perceived quality

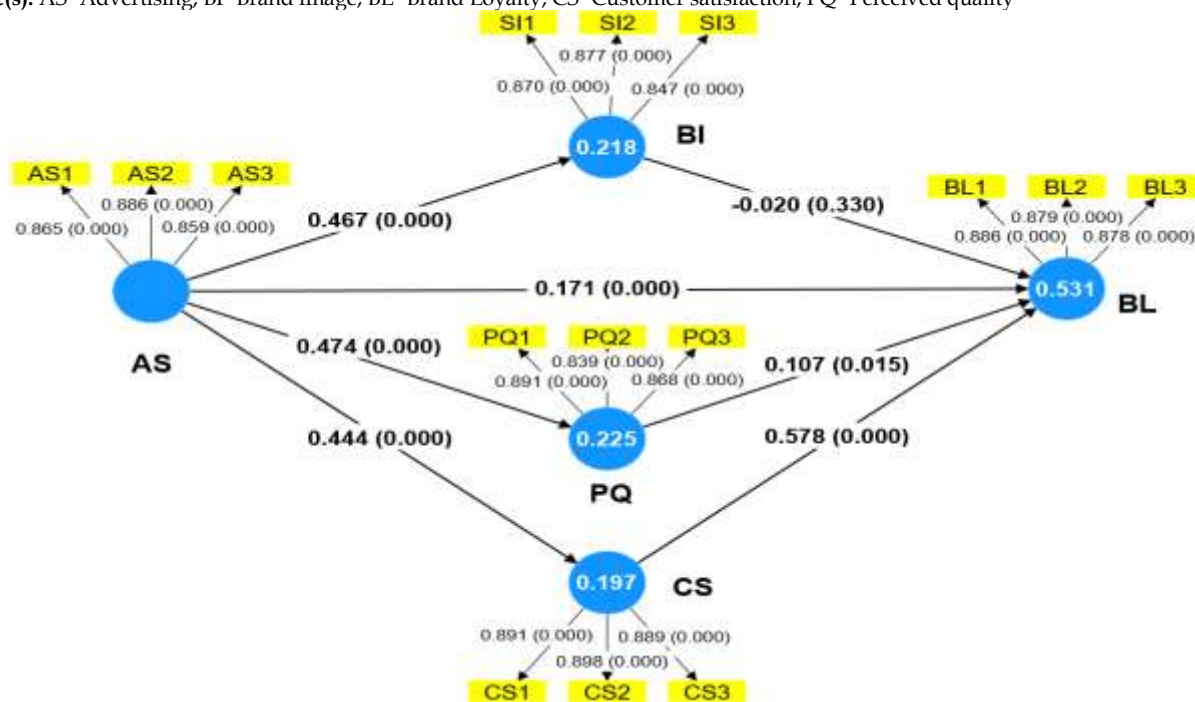


Figure 1: Empirical framework

5. DISCUSSION

This study provides nuanced insights into the mechanisms through which advertising influences brand loyalty in the Vietnamese retail context, revealing patterns that both confirm and challenge established marketing theories. Overall, the findings indicate that the relationships among advertising, customer satisfaction, perceived quality, brand image, and brand loyalty are more complex and context-dependent than previously assumed.

Customer satisfaction emerged as the strongest predictor of brand loyalty ($\beta = 0.578$, $p < 0.000$), offering strong empirical support for the satisfaction-loyalty paradigm originally proposed by Oliver (1999). This result is consistent with prior empirical evidence in Asian and Vietnamese contexts (Ngoc Phan & Ghantous, 2013) and underscores the central role of experiential outcomes in shaping loyalty behaviors. The magnitude of the effect suggests that Vietnamese consumers place considerable emphasis on their actual consumption and service experiences when forming loyalty intentions. This finding aligns with Vietnam's cultural orientation toward relationship-based commerce and high service expectations. As the retail sector transitions from personalized,

informal trading relationships to more standardized modern retail formats, customer satisfaction appears to function as a key relational substitute, enabling retailers to maintain long-term customer connections in increasingly impersonal environments.

In contrast, the absence of a significant relationship between brand image and brand loyalty ($\beta = -0.020$, $p < 0.330$) represents one of the most notable and theoretically challenging findings of this study. This result diverges from a substantial body of Western marketing literature in which brand image is typically regarded as a core driver of loyalty. The findings suggest that Vietnamese retail consumers may prioritize functional performance and experiential value over symbolic or emotional brand associations. In technology retail in particular, consumers may adopt a pragmatic decision-making orientation, focusing on product performance, service reliability, and post-purchase support rather than abstract brand meanings. Moreover, the rapid evolution of Vietnam's modern retail sector may imply that retail brand images are still relatively underdeveloped, limiting the formation of strong emotional attachments. This challenges the universal applicability of Western brand image-

loyalty models and highlights the need for contextualized theorizing in emerging markets.

Despite the weak role of brand image, advertising was found to have a significant positive direct effect on brand loyalty ($\beta = 0.171$, $p < 0.000$), confirming that advertising remains an important driver of loyalty in Vietnamese retail contexts. This finding is consistent with earlier studies suggesting that advertising contributes to loyalty by enhancing brand familiarity, trust, and expectation formation (Cuong et al., 2020). The moderate effect size indicates that while advertising alone is insufficient to guarantee loyalty, well-designed campaigns can meaningfully influence loyalty intentions when integrated with broader experiential strategies.

More importantly, advertising demonstrated strong positive relationships with all three mediating variables—brand image, perceived quality, and customer satisfaction. Advertising significantly influenced brand image ($\beta = 0.467$, $p < 0.000$), perceived quality ($\beta = 0.474$, $p < 0.000$), and customer satisfaction ($\beta = 0.444$, $p < 0.000$), suggesting that Vietnamese consumers are highly receptive to advertising messages. Effective campaigns appear capable of simultaneously communicating quality cues, satisfaction promises, and positioning elements. However, the mediation analysis clarifies that not all of these pathways ultimately translate into loyalty.

The mediation results indicate that customer satisfaction ($\beta = 0.107$, $p < 0.015$) and perceived quality ($\beta = 0.051$, $p < 0.017$) significantly mediate the relationship between advertising and brand loyalty, whereas brand image does not ($\beta = -0.009$, $p < 0.332$). These findings suggest that advertising builds loyalty primarily by shaping expectations related to service performance and product quality. When these expectations are fulfilled, they generate satisfaction, which in turn drives loyalty behaviors. This mechanism is consistent with the Elaboration Likelihood Model and Social Cognitive Theory, which emphasize expectation formation and experiential confirmation as key drivers of behavioral outcomes.

The absence of brand image as both a direct predictor and a mediator highlights the dominance of functional and experiential considerations in Vietnamese retail loyalty formation. This pattern suggests that Vietnamese consumers may currently be situated in a transitional phase, where satisfaction and quality outweigh symbolic brand meanings. As the retail market matures and consumers gain greater familiarity with modern retail brands, the role of brand image may evolve.

Longitudinal research is therefore warranted to examine whether symbolic brand associations become more influential over time as consumer sophistication increases.

5.1. Managerial implications

The findings of this study offer several important implications for retail brand managers operating in Vietnam. First, the strong direct and indirect effects of advertising on brand loyalty underscore the strategic importance of sustained investment in advertising activities. While word-of-mouth remains influential, particularly in collectivist cultures, digital and social media advertising platforms such as Facebook and Instagram provide scalable opportunities to enhance brand exposure, reach new customer segments, and communicate consistent value propositions.

Second, the dominant role of customer satisfaction and perceived quality suggests that advertising strategies should be closely aligned with operational capabilities. Advertising messages that emphasize service excellence, reliability, and quality assurance are more likely to translate into loyalty when these promises are consistently fulfilled in practice. Retail managers should therefore view advertising not as a standalone communication tool, but as an integral component of a broader experience management strategy.

Third, regular customer feedback mechanisms, such as satisfaction surveys and post-purchase evaluations, are essential for monitoring consumer perceptions and identifying areas for improvement. Insights derived from such data can inform targeted service enhancements and help retailers refine their advertising messages to better match consumer expectations.

Fourth, continuous improvement in product and service quality remains critical for sustaining competitive advantage. By minimizing service failures and enhancing consistency, retailers can reduce customer dissatisfaction and stimulate positive word-of-mouth. Expanding physical accessibility through new store openings or optimized store locations may further reinforce loyalty by increasing convenience and reducing switching incentives.

Overall, retail brand managers seeking to build long-term loyalty in Vietnam should prioritize advertising strategies that emphasize experiential value and quality delivery, supported by operational excellence and broad market accessibility.

5.2. Limitations and future research

Despite its contributions, this study is subject to several limitations that should be acknowledged. First, from a geographical perspective, the sample was restricted to Hanoi and Ho Chi Minh City, which may limit the generalizability of the findings to other regions of Vietnam with different socio-economic characteristics. Second, the study employed a broad retail brand focus rather than concentrating on a specific product category, which may mask category-specific loyalty dynamics. Third, the cross-sectional design limits the ability to capture changes in consumer perceptions and loyalty over time. Finally, while the model incorporates key mediators, additional factors such as service quality, trust, and brand credibility may further enrich explanations of brand loyalty formation.

Future research should address these limitations by incorporating broader geographic coverage, adopting longitudinal designs, and examining specific retail or product categories. Further studies could also integrate additional mediators or moderators, including cultural values, digital engagement, and service quality perceptions, to develop a more comprehensive understanding of advertising-driven brand loyalty in emerging markets.

6. CONCLUSION

This study examines both the direct and indirect effects of advertising on brand loyalty in the retail context, with particular emphasis on the mediating roles of brand image, perceived quality, and customer satisfaction. By analyzing the interrelationships among these constructs, the study provides a comprehensive understanding of how advertising shapes consumer perceptions and experiences that ultimately influence loyalty outcomes.

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The findings demonstrate that advertising plays a significant role in enhancing brand image, perceived quality, and customer satisfaction. However, the results also reveal that advertising contributes to brand loyalty primarily through indirect pathways, notably via perceived quality and customer satisfaction, which function as key mediating mechanisms. Customer satisfaction, in particular, emerges as the most influential determinant of brand loyalty, underscoring the importance of experiential and performance-based factors in loyalty formation within the Vietnamese retail market.

Importantly, the study highlights that while advertising remains a critical strategic tool, its effectiveness in fostering long-term brand loyalty depends largely on the extent to which it is supported by high-quality products and services that meet or exceed consumer expectations. These findings suggest that retailers seeking to build sustainable brand loyalty should align their advertising strategies closely with operational excellence and customer experience management. Overall, the study contributes to the literature by elucidating the mechanisms through which advertising influences brand loyalty in an emerging market context and by emphasizing the central roles of perceived quality and customer satisfaction in this process.

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8. CONFLICT OF INTEREST

The authors declare no conflict of interest.

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