Approximation of the brand value of the firm Café Galavis

J E Pérez Pérez

Grupo de Investigación de Competitividad y Sostenibilidad para el Desarrollo, Universidad Libre de Colombia, San José de Cúcuta, Colombia

E-mail: juan.perez@unilibre.edu.co

Abstract. Café Galavis is one of the most traditional brands in the city of Cúcuta, Colombia with 100 years of experience producing and marketing roasted and ground coffee. The aim of the article is to make an approximation of the value of the brand at the regional level, an approach of the most relevant authors in the aspects of the construct. Finally, the analysis of the results obtained shows that the brand value presents some differences in its composition.

1. Introduction

Café Galavis is considered one of the most representative companies of the department of Norte Santander, Colombia, which has become ingrained in the business memory of the region. They produce and sell roasted and ground coffee with a tradition and experience that during 100 years of experience has positioned the brand with products whose added value is related to the attributes of quality, flavor, aroma and purity.

Due to the impact on sales because of the closing of the Venezuelan border, and due to the change of administration, the new Café Galavis CEO has rethought its strategic direction aiming at diversifying its portfolio, creating new products, and expanding its production lines (traditional coffee, organic, instant, gourmet, and export type). With the aim of increasing productivity, its distribution plant has been restructured, new machinery has been acquired and a certification of their processes in food quality and safety has been achieved. All these elements are differentiating factors that allow recognizing the need to penetrate into foreign markets and exploit the firm's specific advantages.

The purpose of the research was to make an approximation of the brand value construct of the firm Café Galavis by identifying the sources of competitive advantages of brand value at the regional level. This information contributes to the decision-making process to strengthen the value of the brand and the process of extension and incursion into international markets.

2. Approximation of the brand value

Currently, there is a tendency among many organizations to determine the value of their brands; this need has motivated several researchers to develop measurement instruments in order to perform an approximation of the construct. In this sense, the company Café Galavis requires reliable and objective measures, which affects decision-making and analysis of the impact of strategies [1]. According to the review of the literature, the brand value is constituted as a construct composed of different variables which are measured by some indicators [2-6]. The definition of these indicators constitutes a relevant aspect in the development and validation of measurement instruments.
Among the most common dimensions of approximation of brand value in the literature, the following stand out: Brand awareness (brand recognition and brand recall); Brand associations (Perceived Quality, Brand Loyalty, Brand Image and Perceived Value).

While Keller [3] in his model of Brand Capital Based on Consumer (CBBE) defined the brand knowledge construct as one which is established only when there is a relationship between the consumer and the brand developing in the consumer's mind, different types of associations which can have a positive or negative impact on the purchase option. This knowledge is constituted by two dimensions: i) Notoriety and ii) Brand Image, likewise they are validated in different investigations [7-11].

According to Keller [3] the dimension of brand notoriety is the ability of consumers to identify the brand in different contexts and is constituted by Brand Remembrance (ability to identify the same elements without physical presence of the product or brand) and Brand Recognition (ability to identify the graphic elements of the brand in the physical presence of the product).

On the other hand, the brand image is determined by the set of brand appreciations related through the different associations such as their attributes, benefits and attitudes, which form a favorable, attitudinal or affective and behavioral link. According to Costa [12], the image is integrated to the identity (material and symbolic) and the values (functional, psychological and emotional) of the brand. The image remains in the public's memory and promotes acquisition decisions.

Perceived quality is defined as "the perception that the client has about the general quality or superiority of a product or service with respect to its purpose among alternatives" [13]. The subjectivity of the quality of the product or service is considered as one of the key components in the consolidation process of a strong brand, as it is the key determinant for a favorable and positive evaluation by consumers, from a cognitive, affective approach and behavior.

The dimension of brand loyalty is considered one of the components of brand value that has received the most importance and study in marketing literature. Defined as the measure of the relationship between a client and the brand [2], for many studies represents the essential pillar of the value of a standard [4, 14-15]. Loyalty is a strategic asset that, when exploited, generates a competitive advantage in organizations. In this sense, loyal consumers show greater receptivity towards the brand than non-loyal consumers [16].

Finally, the perceived value is the perception of the consumer of the benefits obtained by acquiring the product or service in relation to the expense that one has to incur in order to acquire the desired benefits [17]. This relationship is established by the following Equation (1) [18]:

\[
\text{Perceived Value} = \frac{\text{Perceived Benefits}}{\text{Perceived Sacrifices}}
\]

3. Methodology

3.1. Research methodology
This research was based on a longitudinal method of case study. The case study method is considered a fundamental tool in research, the strength of which, lies in the fact that through this the behavior of the relevant parts of the object of study are measured and recorded [19] and in turn it allows the analysis of the phenomenon in its real context, by means of quantitative and / or qualitative type evidences in parallel.

The research is exploratory in nature, because it generates an approximation of the theories of brand value and internationalization, and it is also descriptive since it describes and analyzes how the company will face a process of positioning and internationalization of the firm from specific sources.

For the purpose of the case study, an interview was developed with the general manager in order to establish the context of the organization and a semi-structured interview with a Likert scale to validate the conceptualization of the brand value constructs; Semi-structured interviews are based on a guide of questions where the interviewer has the autonomy to introduce additional questions to specify concepts, or obtain more information on topics of interest [20]. For the case study, it was carried out from a 360-degree perspective (Collaborators, Suppliers and Clients).
3.2. Procedure and samples
The selection of the sample was made from a convenience sampling and the instruments with the dimensions of brand value were answered by three parts of interest, excluding the dimension of brand loyalty focused only on customers.

During the field work, the instruments were applied to: Collaborators (Production Supervisor and Commercial Manager of Café Galavis); Suppliers (RACAFE and a threshing machine in the city of Bucaramanga); clients, the most representative wholesale supermarkets in the city of San José de Cúcuta were interviewed (Metro Avenida Libertadores; Olimpica-Calle 9; Victoria Plaza Libertadores; Supermarket Punto y Fama Guaimaral and Supermarket la Canasta).

3.3. Variables measurement
The results of the semi-structured interviews for the analyzed dimension of brand value were categorized into first, second, and third order variables. In this way, as illustrated in Figure 1, the brand value construct is specified as an aggregate variable of the third order with two second order constructs and six first order subsets.

![Figure 1. Measure model of brand value [3].](image)

In order to analyze the different dimensions of brand value according to previous investigations, scales were used to measure each of the first order dimensions.

The brand notoriety was determined by the Keller [3] and Lambin’s proposal [21]; brand associations, were measured through several items proposed by different researchers, [13]; brand loyalty was measured through a scale adapted from Yoo et al. [4]; the brand image according to Costa [12], the integrated identity (material and symbolic) and the values (functional, psychological and emotional) of the brand and finally the brand value Chen and Dubinsky [17].

4. Results

4.1. Analysis by parties of interest in the approximation of the brand value
Then, the analysis is performed by each of the interested parties, collaborators, suppliers and customers.
4.1.1. **Collaborators.** The notoriety of the brand "Café Galvis" by its collaborators compared to other competitors’ is recognized by the flavor, aroma and freshness of the product, the trajectory of the firm and its tradition in the region has been fundamental in the positioning and brand recall.

One of the main added values of the product is determined by the quality of raw materials classified as consumption and excellent, a production process certified under ISO 9001 international quality standards, food safety ISO 22000 for food safety management for all of the supply chain and HACCP analysis of hazards and critical control points that guarantee customers compliance with high quality standards [22,23].

The image of the brand is associated with a product with attributes of excellent quality, texture, and great flavor characteristic of its low-medium roasting process that guarantees a smooth cup. Its design is highlighted by its traditional colors and the brand highlighted by its tradition processing the coffee of Norte de Santander for 100 years.

The perception of perceived value is consistent with the support of the quality of the production process and the raw materials, whose benefit for the final consumer is a fresh product with a competitive price when contrasted against the competitors’.

4.1.2. **Suppliers.** For its history in the market, the suppliers’ brand notoriety is related to the recognition that Café Galavis has a wide range of types of coffee (roasted and ground, instant coffee type export) and excellent quality products. It is remembered as one of the most important clients of the Norte de Santander region; however, it is not as well known in the interior of the country as other competitors of roasted and ground coffee are.

The brand is characterized by its quality products and high confidence. It is considered one of the customers who demand the highest quality in the inputs of the production process. That is why the raw material (consumer and excellent coffee) meets high standards when it comes to consistency and granulomere.

The image of the brand is backed by the attributes of purity, flavor, aroma, and a tradition that has been consolidated in the market since 1918. On the other hand, the brand gives a high value to the product regarding the price that must be paid for it, and whose perceived value is backed by history, trajectory, and positioning in the region considering the product as a good purchase.

4.1.3. **Customers.** The reputation of the "Café Galvis" brand among its customers in Norte de Santander region is such that it is recognized as the benchmark of coffee tradition in the city of Its quality products and eye-catching design has, for years, positioned itself among the best brands in the market. It is remembered for being one of the products with the highest turnover in inventories, whose characteristic attributes are quality, aroma, and affordable price.

Galavis Coffee products are of good quality, according to the traceability and feedback of the PQRS systems, the customers have not made any complaint about the products, and in the same way, the increase in sales is an indicator of the final consumer’s trust.

The stores are considered loyal buyers of the brand due to the high demand of the final consumers who request the traditional coffee of the brand, determining factors of the presence of Galavis coffee in the products of the family basket, and the support to the producers of the region. The perception as the first purchase option is partially in agreement, the different varieties and traditional brands such as red stamp coffee have gained space in the national market.

The image of the brand is associated with the tradition and attributes of purity, flavor, aroma that support the brand. The perceived value of the brand is in accordance with the price of the product whose representative benefit to the consumer is quality, and they consider it as a good purchase. However, the brand must innovate to add a higher value.

4.2. **Global analysis of the approximation of the brand value**

The aspects determined in the application of instruments for each one in the dimensions of analysis in the approximation of the brand value are observed in Figure 2.
In the roasted and ground coffee product category, the Café Galavis brand is recognized as one of the main "top of mind" brands highlighted by its trajectory and history of the brand, which for 100 years has been positioned in the North of Santander and the region as a reference of coffee, tradition and quality.

The recall of the brand against other competitors is identified by the flavor, aroma and freshness of the product, focused on an adult market niche, high demand and greater turnover in supermarkets and chains.

The association of the brand regarding the perceived quality has the quality of the product and raw material as a strength, a key component in the construction of the brand, as it is the basis for a favorable and positive evaluation by the collaborators, suppliers and customers.

With regard to the dimension of brand loyalty, defined as the measure of the link between the clients interviewed and the brand, positive responses were found, for Metro and Olympic department stores of the city of Cúcuta, where the presence of national and private brands predominates. The coffee brand Galavis was codified and included as one of the suppliers present in the region, consistent with the needs expressed in the information points of each establishment; however, the presence of multiple brands and the marketing strategies implemented by competitors to promote the purchase of the product have an impact on the decision to count Café Galavis as their first purchase option.

The brand image is strongly related to the tradition and the attributes associated with the product; purity, flavor and aroma, generating a favorable attitudinal and affective bond. In the same way, the perceived value compared to the cost-benefit is based on the value of the brand acquired throughout the trajectory of the firm and reflected in products of trust and quality.

5. Conclusion

According to the review of the measurement proposals included in the literature, brand value stands out as a multidimensional concept formed by different components. For this research, the different
dimensions of brand value, brand awareness (brand recognition and Brand recall); Brand image (brand associations related to Perceived Quality, Brand Loyalty, Brand Image and Perceived Value).

The results obtained allowed to perform the analysis of the firm's brand value approximation; the validation of the instruments applied to the parties of interest, collaborators, suppliers and clients, articulated to the established dimensions, allows the individual analysis by group, establishing the similarities, cross-sectional differences to subsequently establish a global analysis, according to the research the following conclusions are reached.

The dimensions of notoriety analysis and the associations related to perceived quality, brand image and perceived value present positive similarities in a transversal way by the parties of interest; the specific advantages in relation to the value of the brand, Café Galavis is considered one of the main brands "top of mind" that is identified by the flavor, aroma and freshness of the product, whose predominant strength is the quality of the product and raw material. However, the brand loyalty dimension shows divergence because the stores are considered loyal buyers of the brand, but the perception as the first purchase option is partially in agreement, due to the impact of different brands that have been positioned at national level and the varieties of traditional brands that are emerging directly from coffee farms in the region. Innovation and marketing strategies are aspects that buyers would contemplate to consider it as their first choice of purchase.

The standardized home made products represent the specific strengths of the firm Café Galavis, developed from a favorable environment in the country of origin. These specific advantages of location are related to the cultivation areas of the different geographical areas of Colombia whose weather conditions provide excellent physical characteristics for coffee production and good sowing practices.

References
[1] Ailawadi K, Lehmann D R, and Neslin S A 2003 J. Mark. 67 1-17
[2] Aaker D A 1991 Managing brand equity capitalizing on the value of brand name (New York: The Free Press)
[3] Keller K 1993 J. Mark. 57 1-22
[4] Yoo B, Donthu N, and Lee S 2000 Acad. Mark. Sci. 28 195 211
[5] Pappu R, Quester P and Cooksey R 2005 J. Product and Brand Management 14 143-155
[6] Jung J y Sung E Y 2008 J. Fash. Mark. Manag. 12 24-35
[7] Rao V R, Agarwal M K, and Dahlhoff D 2004 J. Mark. 68 126-141
[8] Maio M 2001 J. Product and Brand Management 10 38-51
[9] Pappu R, Quester P G, and Cooksey RW 2005 J. Brand Management 14 143-154
[10] Esch F, Langner T, Schmitt B, and Geus P 2006 J. Product & Brand Management 15 98–105
[11] Alexandris K, Douka S, Papadopoulos P, and Kaltsatou A 2008 Managing Service Quality 18 239-254
[12] Costa J 2004 Brand image: A social phenomenon (Madrid: Paidós Ibérica Publisher S.A)
[13] Zeithaml V A 1988 J. Mark. 52 2–22
[14] Atiglan E, Aksoy S, and Akinci S 2005 Marketing Intelligence & Planning 23 237-248
[15] Mohd N, Nasser M, and Mohamad O 2007 J. Prod. Brand Manag. 16 38-48
[16] Grover R and Srinivasan V 1992 J. Mark. Research 29 76-89
[17] Chen Z and Dubinsky A 2003 Psychology & Marketing 20 323-347
[18] Monroe K and Chapman J 1987 J. Advances in Consumer Research 14 193-197
[19] Yin R K 1989 Case study research design and methods applied social research methods (London: Sage Publications)
[20] Hernández R, Fernández C and Baptista 2003 Metodología de la investigación (México: Mc Graw Hill)
[21] Lambin J 2004 Strategic Marketing (Mexico: McGraw Hill)
[22] Instituto Colombiano de Normas Técnicas y Certificación (ICONTEC) 2015 Sistemas de gestión de calidad, NTC-ISO 9001:2015 (Colombia: Instituto Colombiano de Normas Técnicas y Certificación)
[23] Instituto Colombiano de Normas Técnicas y Certificación (ICONTEC) 2018 Sistemas de gestión de inocuidad de los alimentos, NTC-ISO 22000:2018 (Colombia: Instituto Colombiano de Normas Técnicas y Certificación)