

# UNVEILING DIGITAL DYNAMICS: INVESTIGATING BRAND IMAGE IMPACT FOR NEW RETAILERS

<sup>1</sup>Juanito Santos Jr and <sup>2</sup>Wei Zhang

<sup>1</sup>Professor, Cavite State University, Manila, Philippines and <sup>2</sup>Assistant Professor, Ji'an Vocational and Technical College, Ji'an, Jiangxi, China

**Abstract:** The digital era has catalyzed a transformative shift in the landscape of retail enterprises, where digital marketing has emerged as an indispensable facet of competition. Grounded in digital technology and internet platforms, digital marketing transcends the constraints of traditional marketing, ushering in unprecedented opportunities for interaction between enterprises and consumers. New retail companies, positioned as key adopters of digital marketing strategies, are actively investigating its ramifications on brand image, a pivotal determinant of success in contemporary markets. In navigating this digital consumer milieu, new retailers must adopt proactive approaches to address consumer needs and cultivate a robust brand identity.

**Keywords:** Digital marketing, new retail enterprises, brand image, consumer engagement, digital transformation.

## 1. Introduction

In the wave of the digital era, digital marketing has become an indispensable part of the competition of new retail enterprises. Digital marketing is a marketing method based on digital technology and Internet platform, which breaks through the time and space limitations of traditional marketing and provides unprecedented opportunities for interaction between enterprises and consumers. As one of the main practitioners of digital marketing, new retail companies are actively exploring the impact of digital marketing on their brand image, which occupies a pivotal position in today's market. In this digital consumer environment, new retailers must respond proactively to meet consumer needs and build a strong brand image [1].

Scholars have conducted extensive research on the relationship between digital marketing and brand image. Digital marketing offers new opportunities for brand promotion through various online platforms and social media, but it also creates a competitive market environment. Consumers' purchasing decisions are often influenced by digital marketing campaigns, and therefore, how digital marketing shapes and influences brand image has become a much-anticipated research topic. Although there have been a number of studies on the relationship between digital marketing and brand image, empirical research in the field of new retail is still relatively limited. As new retailers continue to invest more in digital marketing, a deeper understanding of how digital marketing activities affect brand image is needed to guide organization to better develop their digital marketing strategies.

## 1. Research Basis

### 1.1 Digital Marketing

The definition of digital marketing originates from the combination of digital technology and marketing theory. In the early days, digital marketing was mainly proposed as an emerging marketing approach, and its definition

revolved around the process of promoting and selling products or services using digital technology and online platforms. The definition of digital marketing has gradually changed with the popularity of the internet and mobile internet and the growing consumer demand for impersonation, interactivity and impermeability.

In recent years, with the development of technology and the explosive growth of data, the definition of digital marketing has become more focused on the interaction and communication between enterprises and consumers through accurate user targeting, personality communication and data-driven decision-making supported by digital technology and data, which in turn achieve the purpose of enhancing brand influence, strengthening sales and promoting market share growth. Therefore, the definition of digital marketing is no longer limited to a single means of promotion and sales, but takes into account the digital elements of the entire marketing process, including market research, product development, customer relationship management and sales channels <sup>[2]</sup>.

The definition of digital marketing includes a marketing approach that achieves brand communication and sales goals through the Internet and digital technology. With the characteristics of interactivity, internationalist and impermeability, digital marketing can directly interact and communicate with consumers, provide personality recommendations and services, and accurately track and evaluate the marketing effects, so as to enhance brand image and market competitiveness.

### ***1.2 Brand Image***

The concept of brand image originates from research and practice in the field of marketing. In the past decades, many scholars and practitioners have conducted in-depth studies on brand image and put forward different theories and opinions. Among them, Keller (1993) put forward the famous "four elements of brand" model, which emphasis the importance of brand image. According to him, brand image is the sum of consumers' cognition and perception of a brand, including brand quality, brand image, and brand value. In addition, Aaker (1996) proposed the model of "brand assets and equity", which emphasis the impact of brand image on the long-term competitive advantage and value of an enterprise.

In actual marketing practice, enterprises use brand image to attract consumers' attention and build up their image and credibility. Enterprises can build brand image through marketing activities and advertising, such as through advertising and public relations activities to convey the brand's values and concepts, through product quality and service to enhance the brand's image. In addition, enterprises can also build brand image through cooperation with public welfare organisations and sponsorship activities.

Brand image not only has an impact on the market performance and economic benefits of enterprises, but also plays an important role in the internal management and organisational culture of enterprises. Research shows that brand image shaping and enhancement can enhance consumers' knowledge and preference for products, which in turn improves brand loyalty and increases product sales and market share. At the same time, brand image enhancement can also attract more consumers to pay attention to and participate in brand activities, and promote the innovation and development of enterprises.

In the field of new retail, the importance of brand image is more prominent. With the rapid development of the Internet and mobile Internet, new retail enterprises are facing increasingly fierce market competition, and consumers' brand awareness and loyalty are also increasing. Therefore, new retail enterprises need to shape and enhance their brand image through digital marketing tools to gain competitive advantage and market share, shape unique customer experience, and promote the change of new retail.

## **2. Empirical Analysis**

### **2.1 Research hypothesis**

In order to be able to study the impact of digital marketing on the brand image relationship of new retail enterprises, the following hypotheses are established:

Hypothesis 1: The marketing activities of digital marketing are positively affected by brand image.

Hypothesis 2: Customer service of digital marketing is positively affected by brand image.

Hypothesis 3: The innovation ability of digital marketing is positively affected by brand image.

Hypothesis 4: User trust of digital marketing is positively affected by brand image.

Hypothesis 5: Marketing activities of digital marketing are positively influenced by user trust.

Hypothesis 6: Customer service of digital marketing is positively affected by user trust.

Hypothesis 7: The innovation ability of digital marketing is positively influenced by user trust.

Hypothesis 8: User trust in digital marketing mediates between marketing activities and brand image.

Hypothesis 9: User trust in digital marketing mediates between customer service and brand image.

Hypothesis 10: User trust in digital marketing mediates between informativeness and brand image.

### **2.2 Data sources**

Data were mainly collected through online questionnaires and interviews. The questionnaire survey was advertised and promoted through various social platforms such as social QQ, WeChat and Weibo. The questionnaire survey was distributed 400 copies, 363 copies were recovered, excluding some questionnaires that do not meet the specifications, 336 valid questionnaires, the questionnaire recovery rate is more than 90%. SPSS26.0 and AMOS 24.0 software were used as statistical tools for analysis.

In terms of gender distribution the percentage of females was higher than males, 61.3% and 38.7% respectively. Age distribution: the age range of the respondents covered from 18 years old to over 60 years old, mainly concentrated between 25 and 45 years old. Educational level: The data shows that the educational level of the respondents is relatively balanced, with tertiary education level occupying more than 68%. Nature of company: The data shows that respondents' employment status is diversified, including private enterprises, government and institutions, freelancers and others. Frequency of online shopping: ranging from less than 3 shopping trips per month to more than 5 shopping trips per month, accounting for about 45.2%. Family financial situation: respondents' family financial situation is diversified, with a monthly income of more than RMB 3,000 accounting for 56.7%. The above data provides the basis for an in-depth understanding of respondents' characteristics and behaviors, and provides strong support for the study of the impact of digital marketing on the brand image of new retailers. The sample covers a wide range of areas and is representative.

### **2.3 Reliability and validity test**

Table 1 shows the Cronbach's coefficients for each variable (marketing activities, customer service, informativeness, user trust, and brand image), and the Cronbach's coefficients for each of the variables range from 0.816 to 0.914, which are relatively high. It provides a trustworthy data base for the study (Table 1).

In the data of Table 2, the value of KMO metric is 0.734, which indicates that the data has a relatively high suitability for further research in factor analysis. Bartlett's test of spherical, the p-value is 0, which is much less than 0.05, which implies that there is a correlation between the variables in the data, which supports the rationality of conducting factor analysis. Based on the results of the KMO measure and Bartlett's test of spherical, the dataset performs well for conducting factor analysis, which can be continued to explore the underlying structure between the variables (Table 2).

Table 1: Results of the reliability analysis.

Variables	Marketing activities	Customer service	Innovation capability	User trust	Brand image
Cronbach's coefficient	0.914	0.911	0.816	0.861	0.825

Table 2: KMO/Bartlett

KMO	0.734
Bartlett	approximate chi-square (math.)
	2894.06
	df
	263
	Sig.
	0

## 2.4 Correlation analysis

The correlation coefficient between marketing activities and customer service is analyzed as 0.395: this indicates a moderate positive correlation between marketing activities and customer service. This means that as marketing activities increase, customer service can increase and vice versa. The correlation coefficient between marketing activities and informativeness is 0.216: This indicates that there is a positive relationship between marketing activities and informativeness. This means that in some cases an increase in marketing activities can be associated with an increase in innovation capacity.

The correlation coefficient between customer service and informativeness is 0.193: this indicates that there is a positive relationship between customer service and informativeness. The correlation coefficient between informativeness and user trust is 0.160: this indicates that there is a positive relationship between informativeness and user trust. This means that higher level of innovation capability can be slightly associated with increased user trust. The correlation coefficient between user trust and brand image is 0.129: this indicates a positive relationship between user trust and brand image. This means that higher levels of user trust could be slightly associated with higher levels of brand image. (Table 3)

Table 3: Correlation coefficient matrix

Variables	Marketing activities	Customer service	Innovation capability	User trust	Brand image
Marketing activities	1				
Customer service	.395**	1			
Innovation capability	.216**	.193**	1		
User trust	.164**	.159**	.160**	1	
Brand image	.216**	.193**	.164**	.129*	1
** At the 0.01 level (two-tailed), the correlation is significant.					

## 2.5 Research hypothesis testing

Through the structural equation path coefficient analysis, the path coefficient and significance test results provide information about the relationship between different variables. For example, innovation capability, marketing activities, and customer service have a positive influence on user trust and brand image, but the exact degree of influence and significance level varies.

User trust <--- Innovative capability: the path coefficient is 0.053 and the standard error is 0.038. The critical ratio (C.R.) is 0.401, while the significance level (P) is 0.001 (\*\*\*), which indicates that there is a positive effect of innovative capability on user trust, and that it is significant at the 0.01 level. User trust <--- Marketing activities: path coefficient is 0.004 and standard error is 0.005. Critical ratio (C.R.) is 0.036 while significance level (P) is 0.001 (\*\*\*), indicating that there is a positive effect of marketing activities on user trust and it is significant at 0.01 level. User trust <--- Customer service: path coefficient is 0.038 and standard error is 0.027. Critical ratio (C.R.) is 0.881 while significance level (P) is 0.001 (\*\*\*), indicating that there is a positive effect of customer service on user trust and it is significant at 0.01 level. Brand Image <--- Marketing Activities: the path coefficient is 0.026 and the standard error is 0.04. The critical ratio (C.R.) is 0.3 while the level of significance (P) is 0.05 (\*) indicating that there is a positive effect of marketing activities on brand image but it is significant at the 0.05 level. Brand Image <--- Customer Service: path coefficient is 0.113 and standard error is 0.056. Critical ratio (C.R.) is 0.038 while the level of significance (P) is 0.001 (\*\*\*), which indicates that there is a positive effect of customer service on brand image and it is significant at 0.01 level. Brand Image <--- User Trust: the path coefficient is 0.009 and standard error is 0.035. The critical ratio (C.R.) is 0.531 while the significance level (P) is 0.05 (\*), indicating that there is a positive effect of user trust on brand image but it is significant at the 0.05 level. Brand Image <--- Innovative Capability: path coefficient is 0.014 and standard error is 0.015. critical ratio (C.R.) is 0.044 while significance level (P) is 0.001 (\*\*\*), indicating that there is a positive effect of Innovative Capability on Brand Image but it is significant at 0.01 level (Table 4).

Table 4: Structural equation modelling path coefficients and significance tests

Variables			Estimate	S.E.	C.R.	P
User trust	<-- -	Innovation capability	0.053	0.038	0.401	***
User trust	<-- -	Marketing activities	0.004	0.005	0.036	***
User trust	<-- -	Customer service	0.038	0.027	0.881	***
Brand image	<-- -	Marketing activities	0.026	0.041	0.336	***
Brand image	<-- -	Customer service	0.113	0.056	0.038	***
Brand image	<-- -	User trust	0.009	0.035	0.531	***
Brand image	<-- -	Innovation capability	0.014	0.015	0.044	***

### **3. Research Insights**

#### ***3.1 Constructing user trust***

User trust is one of the crucial factors in brand image construction of new retail enterprises. Building user trust helps to attract users and enhance their sense of identification with the enterprise, thus increasing user loyalty. New retail enterprises need to strengthen the protection of users' personal information. Ensuring the security and privacy of users' personal information is the basis for building user trust. Enterprises should establish a sound information security management system and strengthen protection measures for user information, such as encrypting and storing user data and reasonably restricting employees' access to user data <sup>[3]</sup>. At the same time, enterprises should express the scope and purpose of the use of users' personal information and follow relevant laws and regulations to protect the legitimate rights and interests of users.

New retail enterprises should actively participate in social media and establish mutual trust with users. Social media is an important platform for users to express their demands and evaluate enterprises. By actively participating in social media interactions, enterprises can understand users' needs and respond to users' feedbacks, thus establishing a good corporate image and enhancing users' trust in the enterprise. At the same time, enterprises should focus on long-term interaction with users, for example, by regularly pushing personalized marketing information, new product releases, etc., to maintain long-term contact with users and enhance their sense of identity and loyalty.

Building user trust is an important part of brand image building for new retail enterprises. By strengthening the protection of users' personal information, enhancing user experience, participating in social media interactions, and managing users' word-of-mouth, user trust can be effectively built and the competitiveness of brand image can be enhanced. It is recommended that new retail enterprises pay attention to the construction of user trust in digital marketing and take corresponding measures to enhance user trust, which in turn promotes the shaping and dissemination of brand image <sup>[4]</sup>.

#### ***3.2 Strengthen brand image communication***

Brand image communication plays a crucial role in digital marketing. Strengthening brand image communication can help new retail enterprises increase brand awareness and shape a unique brand image, which in turn improves consumer awareness and trust in the brand and promotes consumer purchase decisions and loyalty. In digital marketing, the enterprise's brand image information is delivered to target consumers through various channels and methods, helping consumers establish positive cognition and emotional connection to the brand <sup>[5]</sup>.

Strengthening brand image communication can create a unique brand image. In digital marketing, the core values and unique charm of a brand are conveyed through a variety of media and forms, such as pictures, videos and texts. Through effective communication, companies can build a unique brand image in the minds of consumers and differentiate themselves from their competitors. The uniqueness of the brand image can make consumers resonate and identify with it, thus increasing consumers' goodwill and loyalty to the brand.

#### ***3.3 Continuous optimization of marketing strategy***

Continuous optimization of marketing strategy is an important step for new retailers to enhance their brand image. The development of digital marketing allows companies to more accurately locate target consumer groups, so as to better communicate brand values and beliefs and enhance brand image. Combined with empirical case studies, this study summarizes the importance and impact of the following continuous optimization marketing strategies on the brand image of new retail enterprises.

Continuous optimization of marketing strategy can help enterprises highlight their brand image in the fierce market competition. With the continuous updating and development of digital marketing technology, new retail enterprises can make use of the results of data analysis and market research to better understand the needs and preferences of target consumers, so as to provide more personalized and precise products and services<sup>[6]</sup>. With the support of digital marketing, companies can develop innovative marketing strategies that meet consumer needs, such as through social media promotion and personalized pricing, to highlight brand uniqueness and differentiate from competitors, thereby enhancing brand image.

Continuous optimization of marketing strategies is crucial to the long-term development of new retail businesses. As the market and consumer needs continue to change, companies need to constantly adapt their marketing strategies to remain competitive. Continuous optimization of marketing strategies can help companies adapt to market changes, better meet the needs of different consumer groups and stay ahead in the market. Through continuous improvisation of marketing strategy, enterprises can keep up with the trend of the times and technological development, continuously improve brand image and achieve sustainable development.

### ***3.4 Continuously improve innovation ability***

Innovation ability and brand image play a crucial role in digital marketing. In the field of digital marketing, innovation capability refers to the continuous development and adoption of new digital technologies, tools and strategies by enterprises to improve market performance, satisfy customer needs and enhance competitiveness. New retailers must have strong innovation capabilities to adapt to the rapidly changing digital marketing environment. Adopt new digital technologies such as artificial intelligence, big data analytics, and virtual reality to improve the quality and efficiency of products or services. For example, using AI algorithms to provide personalized product recommendations and improve the shopping experience<sup>[7]</sup>. Brand image is the reputation and recognition of a company in the marketplace and is a core element in brand building. In digital marketing, brand image is more than just a company's logo or slogan; it is a reflection of consumers' trust and loyalty to the company<sup>[8]</sup>. A strong brand image can win market share, increase sales, attract investors and employees, and thus promote the long-term success of the company.

### ***3.5 Timely response to demand, improve customer service***

Responding to customer needs in a timely manner is critical to improving customer service and shaping brand image. Consumers expect immediate response and support, which directly affects the quality of customer service, brand image building and customer loyalty. Whether it's an online enquiry, complaint or problem resolution, a timely response is required to fulfil consumer needs. To ensure success in the competitive digital marketplace<sup>[9]</sup>. By building multi-channel support, investing in customer support teams, utilizing automation technology and monitoring social media, businesses can better meet customer needs, enhance brand image and increase competitiveness in the marketplace.

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