



# ROLE OF PERCEIVED VALUE IN SHAPING CONSUMER BEHAVIOR AND ESTABLISHING RETAIL BRAND EQUITY: AN ANALYSIS

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## **ABSTRACT:**

*One of the most valuable and crucial assets for most contemporary business organizations is their brand equity. To boost their brand equity, businesses are focusing on innovative and creative techniques. Brand experience is one tool available to marketing managers for building and sustaining brand equity. At its beginning, this study tried the suppositions behind the reasonable model. Furthermore, post hoc investigations were performed to explain the intervening elements of perceived value and brand loyalty. There are three aspects to brand equity: recognition, association, and loyalty. Brand equity gives an organization a few advantages-benefits for the market, more prominent haggling power, expanded productivity, and consumer loyalty.*

**Keywords:** *Perceived Value, Brand Equity, Retail Consumers, purchasing decisions.*

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## **INTRODUCTION:**

The retail sector has smaller margins than other industries because of the fierce competition it faces in the market. Retailers realized that, as a result, they needed to put more effort into developing their brands. The question of developing a powerful brand is still relevant for both practitioners and scholars. A company's most important asset is its brand, which also forms the foundation of customers' confidence and trust and influences their purchasing decisions. Brand equity can be characterized as the all-out value of all resources related to a product, including the name and image, that either increment or diminish the value that an item or administration gives to an organization and its consumers. A store's ability to compete depends on its brand equity. Because it can raise a store's value and utility, developing

store-linked brand equity is crucial. The topic of brand equity in retail literature is a developing area that needs more investigation. Despite being a crucial field of study, brand equity analysis of the retail industry is still scarce. Furthermore, more research is necessary to fully understand the characteristics of the factors that go into creating shop brand equity. Comparing India's retail industry to other economic sectors, it has grown at an extraordinary rate in recent years. In actuality, the majority of Indian businesses and merchants are unaware of the significance of branding. Furthermore, Indian consumers are turning out to be more brand-mindful and invest a ton of energy searching for data about brands. They are becoming more insightful and conscious of purchases for broadened timeframes.



**Brand Equity:**

Brand equity raises the buyer's expectations for product usage, which builds relationships between customers and their purchasing behavior. It is comprised of a variety of assets and brand credibility that add to a product's value. Brand owners need to build a strong brand impression that raises consumer awareness of the brand's value to generate brand equity. The idea of "brand equity" originates mostly from the possibility of gaining a competitive edge. Research shows that customers' views of brand equity impact their purchase intentions and repeat buying behavior. Brand equity also positively promotes brand loyalty and perception.

**Perceived Value:**

To gauge consumers' experiences with each branded product, perceived value is essential. Perceived value concepts have grown in importance as a strategic marketing element as a result, and firms can now quantify the outcomes of the consumer experience by combining them with consumer happiness. Perceived value has become a fundamental principle that consumers use to make decisions about higher-priced purchases. As a result, perceived value can increase consumer satisfaction, generate purchases, and advance purchase intentions for goods or services.

**LITERATURE REVIEW:**

**Wang et al. (2008)** inspected the impact of brand insight on complete brand equity as estimated by brand love utilizing an underlying condition model. The outcomes propose that unmistakable brand experience aspects are associated with bringing out assorted profound reactions, similar to brand love, which adds to the fortifying of brand equity. One additional thing that makes this research great is that it gives theory and practice more practical insights. Generalizations are limited because the results are based on a single brand's study in a single nation. Supervisors need to be particularly aware of the emotional cues that a brand gives its clients.

**Agarwal and Teas (2001)** examined the connections between the various elements of

the vendor's brand equity and the impact that Internet use has on the development of that equity. A measurement of the retailer's brand equity is necessary, as various academics have noted. Following the establishment of dimensionality, analysis was used to determine the dimensionality of the scales before the model was tested. Evidence about the impact of Internet use on retailers' perceived quality is presented in this study. The impact that this variable has on the perceived value and image of the retailer is then demonstrated. These connections affect the retailer's ability to retain customers, which helps the store build its brand.

**Jahanzeb and Butt (2013)** considered constructs in the conceptual framework comprising brand equity, brand equity dimensions, and marketing programs. A two-gradually work quantitative review of clients was utilized to approve the structure. The underlying step of the review is to decide the unwavering quality of development and the factor stacking structure build. Due to overhauling the poll in light of the scientific outcomes from the principal stage, the full-stage overview was led in the subsequent stage. Accordingly, utilizing the recommended system, the connection between the builds has been measured utilizing primary condition modeling.

**Lapierre (2002)** opined that one important factor in brand retailers' competitiveness is their retailer brand equity. Enhancing brand equity through better multichannel integration services is crucial as the retail sector works to link online and physical channels. The study was designed to get data from customers who had both online and physical buying experiences with the same store. The findings demonstrate that in the context of retailers may raise brand equity.

**RESEARCH METHODOLOGY:**

This study was cross-sectional and quantitative. The review utilized a five-point ordinal Likert scale, with emphatically differ to concur as its reach unequivocally. To begin with, the scales' legitimacy and unwavering quality were laid out. The primary condition modeling technique

was then applied to test the speculations. A multi-variable factual method called primary condition modeling was used to clarify the immediate and roundabout connections between the developments in a solitary model. The factual programming AMOS and SPSS were used for the examinations. Furthermore, mediator analyses were carried out using the **Baron and Kenny method** as a post-hoc study.

**Measures and Sampling:**

The dimensions were measured using the scales that were adopted from earlier research. Using the convenience sample approach, voluntary answers, in-person interviews, and more than one hundred and fifty questionnaires, one hundred and twenty valid responses were collected from well-known cities (Pune, Hyderabad, Delhi, Chennai, Bengaluru, Mumbai, Ahmedabad, Kolkata) across India. Users of Indian e-commerce websites make up the research population.

**HYPOTHESIS DEVELOPMENT:**

- H1:** Brand Association benefits from increased Brand Awareness.
- H2:** Brand Loyalty benefits from increased Brand Association.
- H3:** Perceived Value benefits from increased Brand Association.

**H4:** Brand Loyalty benefits from increased Perceived Value.

**H5:** Purchase Intention benefits from increased Perceived Value.

**H6:** Purchase Intention benefits from increased Brand Loyalty.

**DATA ANALYSIS:**

**Reliability and Validity in Construction**

Following data cleansing, the remaining 20 items underwent confirmatory factor analysis. Finding out if the concepts were convergent was the goal of this study. The values of the CFA model fit indices, which indicate a satisfactory match, are  $\chi^2/DF = 1.640$ , CFI = .943, IFI = .946, and RMSEA = .057. A ratio of  $\chi^2/DF$  is less than the cutoff point of 3. Moreover, some fit indices were higher than their suggested levels. Users of Indian e-commerce websites were the study's primary focus.

Table 1's correlation values for each column also show that the average variance extracted values have bigger square roots. Calculated reliability for each unique build. The composite constancy evaluations and Cronbach  $\alpha$  both over the limit of 0.7. Table 1 shows the builds' composite reliabilities, normal fluctuation removed values, standard deviations, etc.

Variables	1	2	3	4	5	Composite Reliability	Average Variance Extracted	Cronbach ( $\alpha$ )	Mean	Standard Deviation
Brand Awareness	(.766)					.802	.588	.780	4.15	.69
Brand Association	.283*	(.600)				.693	.361	.691	3.50	.75
Brand Loyalty	.340*	.365*	(.731)			.848	.534	.843	3.80	.72
Perceived Value	.361*	.384*	.518*	(.630)		.763	.397	.782	3.71	.67
Purchase Intention	.370*	.250*	.589*	.411*	(.804)	.845	.650	.841	3.95	.72

**Table 1: Correlation, Reliability, and Construct Descriptive**

Structural model fit provides a significant indication of model fit. Within the range of 0 and 2, the value of  $\chi^2/DF$  is 1.601. Values of .948 and .949, respectively, are the CFI and IFI. RMSEA of .05 is used. Findings reveal that the model stipulates matching to the dataset.

**Test of Hypotheses:**



SEM was utilized to research the structural model. As a default, the CB-SEM involved the most extreme probability as its assessment technique. The present study utilized both outright and relative files. A mix of the  $\chi^2$  integrity of fit measurement and the RMSEA comprise outright decency of fit records.

Relationships	Standardized Coefficients	Unstandardized Coefficients
Perceived Value → Brand Loyalty	.610*	.528*
Perceived Value → Purchase Intention	.092	.100
Brand Association → Brand Loyalty	.145	.120
Brand Loyalty → Purchase Intention	.585*	.739*
Brand Awareness → Brand Association	.324*	.458*
Brand Association → Perceived Value	.605*	.582*

**Table 2:Test Outcomes**

While hypotheses 2 and 5 do not hold, hypotheses 1, 3, 4, and 6 do, according to Table 2. The mediation effect of a variable accounts for these results. To acquire an enhanced comprehension of the situation, post-hoc analysis was necessary. Brand loyalty and desire to buy, perceived value and brand connection, and brand awareness all exhibit robust positive correlations, according to the results of the tests.

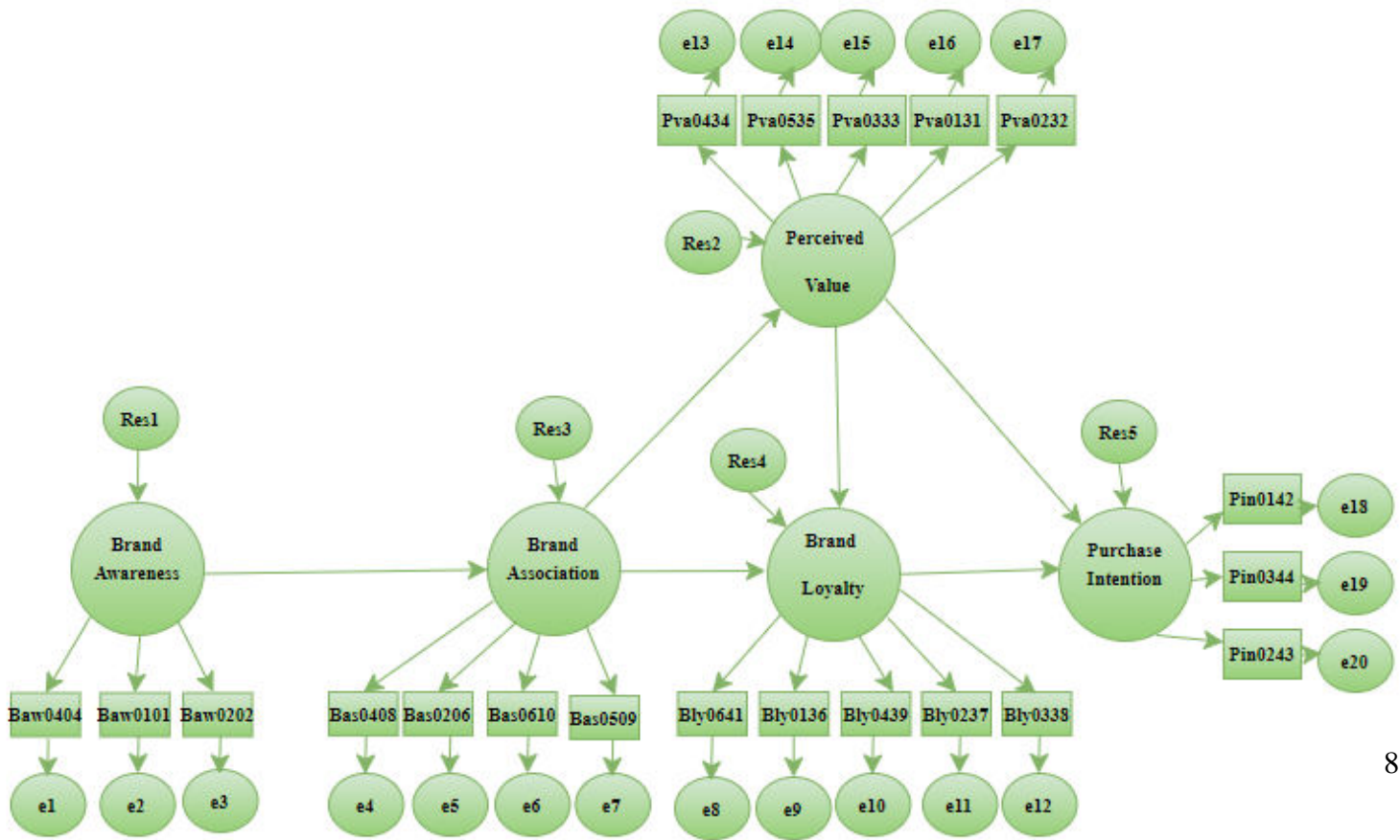


Figure 1:SEM Analysis

In light of the results, post hoc analyses were also directed to look into the mediating roles of Perceived value and brand loyalty. For posthoc analysis, the Baron and Kenny method was Applied.

**FINDINGS OF THE STUDY:**

This study emphasizes how important brand equity is as a strategic asset for companies and how merchants must spend on brand development to increase consumer loyalty and get a competitive edge. Exceptional discoveries uncover that perceived value and brand loyalty intervene, less significantly, in the connection

between brand associations and purchase intentions. In any case, when everything is thought of, the concentrate additionally shows that the immediate connections between brand associations and brand loyalty are falling, and the equivalent is valid for perceived value and purchase intention.

**CONCLUSION:**

Marketing managers may establish and maintain brand equity by utilizing many tools, one of which is product experience. This study used the reasonable model's underlying assumptions at first. Loyalty, affiliation, and recognition are the three facets of brand equity.



Research has demonstrated that, for all variables, both perceived value and brand loyalty have partial mediation effects. Nevertheless, the study's most startling discovery is that there is no longer any correlation between brand loyalty and brand relationships. A store's brand equity determines its capacity to compete. Building store-linked brand equity is essential since it can increase a store's utility and worth. Further research is needed on the topic of brand equity in retail literature, which is a burgeoning field. Retail brand equity analysis is still rare while being an important area of study. The retail sector in India has expanded at an astounding rate in recent years when compared to other economic sectors. Decision-makers can utilize this proposed framework to design market regulations and other business decisions, as it focuses on several strategic decision-making limitations related to retail marketing.

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