Brand Perception: How is it Created? How does it affect the Buying Process? An Empirical Analysis on Apparel brands

G. Aiswarya, Jayasree Krishnan

Abstract: The competition among the apparel brands has risen over the recent years. The number of brands in the market is exponential. In this competitive world, there is a need for companies to analyze the market and get input about the awareness of their brand and how consumers perceive them. The purpose of this study is to develop a scale to measure Brand perception and analyze the role of Brand perception and its impact on the purchase decision. The items in the scale are identified from previous studies and a structured questionnaire is constructed and samples were collected. Exploratory factor analysis is conducted and the reliability of the constructs is determined. These variables are loaded onto AMOS to perform Structural Equation Modeling. The result confirmed the model fit. Regression analysis is conducted with purchase intention as the dependent variable and Brand perception and purchase decision being independent. We notice the purchase decision playing the role of mediator in stimulating purchase intention.

Index Terms: Brand perception, Factor analysis, Mediator, Purchase decision; Purchase intention.

I. INTRODUCTION

Brand perception plays a crucial role in the company’s profitability. Brand perception helps in building customer relationship and it is owned by consumers. It thereby helps to develop marketing strategies. The companies aim to develop positive Brand perception. It depends on how the company projects itself and the combined interaction of customers with the brand. Brand perceptions can be positive or negative. Positive brand perception influences the customer to give priority to choose the brand and on the other hand negative perception, not only leads to dislike the brand but also treats, potential customers. To measure brand perception, the companies conduct survey appropriate to their consumption life cycle. For example; customer satisfaction survey measures customer health and sentiment after a specific customer experience. Net promoter score measures customer based on their loyalty. Product survey measures consumer satisfaction towards the product and tests loyalty. When a consumer comes in contact with a brand name, his/her experiences interact with each other and ultimately culminate into perception. A brand is not only the name of a company or its products but also it reflects the company’s culture, mission and vision and a personality carefully built and communication put forth. Brand’s perception helps to identify their market position their products and check if their vision is still relevant. Brand perception is how a consumer interprets a brand based on their interaction with the brand. All the sensory information gathered is transferred to a mental impression and determines the quality, value and reputation in the minds of consumers. The goal of any company is to create a positive and emotional bond. The increased level of interaction and exposure about the brand tends to increase the potential of brand perception. It can be difficult to understand what a consumer feels about the brand, but brand perception serve as a means to do that.

To measure brand perception we need to identify the right metrics and perform custom research learning customer experience. Measuring brand perception helps us understand our strengths and weaknesses. A study from Nielsen shows that for 77% of consumers, the family and friends influence them when they seek information about new products. This social aspect is so effective which can be attained by improving brand perception. The role of a brand is to enhance the product value, but beyond that it is also related to brand trust, loyalty, perceived quality, and brand awareness.

A. Brand Perception is distinct from other marketing constructs

Brand perception is the sum of all interactions on the minds of customers about the brand [1]. On the other hand, brand awareness is the degree to which the consumers recognize the brand’s product or service. Brand Awareness is the degree to which consumers precisely associate the brand with a specific product. A brand identity is how the company defines its brand; whereas, brand image is how the ultimate consumer perceives the brand.

B. Purpose of the study

The purpose of this study is to develop a scale, to measure Brand perception and purchase decision, thereby analyzing the role of Brand perception and its impact on purchase decisions and intent to buy.

II. THEORETICAL BACKGROUND AND CONCEPTUALIZATION

A. Brand perception

Brand perception is what consumers think or feel about a brand. It is defined as the sum of all experience consumers’ have with the brand [1]. This perception
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varies from person to person depending on the social class, physical qualities of the product, price, packaging, sales promotion and merchandising [2]. J Berger, conducted 6 studies and proposed that consumers perceive the brand which offers a wide variety of products which act as a quality cue and influence them [3]. Initial studies on extrinsic cues state price and brand image as determinants of quality perception [4]. Nicolas Kevyn stated brand as intentional agents, perceived by the consumers which influence brand behavior [5]. There exists a positive relationship between store brands, store image as perceived by the consumer [6]. Consumer perception of quality is strongly influenced by the country of origin and brand name [7]. Another study proposed the number of attributes associated with the brand and consumer loyalty is proportional [8]. The intrinsic and extrinsic attributes of quality frames the origin of quality perception. Store image acts as a mediator of the relationship between Brand perception and purchase intention [9]. People relate to brands in many ways similar to how they relate to people [10]. Research on brand perception has shown that consumers not only care about a brand’s features and benefits but also about a relational aspect of brand perception [11], [9] as well as an emotional part [12], [13].

Social psychologists have proposed the Stereotype Content Model which exhibits how people perceive the social world around them [38]. It describes two dimensions: warmth and competence. Warmth includes helpfulness, sincerity, friendliness, and trustworthiness, whereas competence includes efficiency, intelligence, conscientiousness, and skill. Scot Burton [14] studied attitude toward private label products relates to consumer price perceptions; specifically price conscious and value conscious. Price is also perceived as a quality signal [39], [40], [41]. Thus, high-priced brands are generally perceived as higher quality brands than those with a low price. This has been outlined in numerous studies [15], [16]. The long-term effect of constant promotions generates uncertainty about brand quality [17], which results in more negative brand perception. Chioi based their arguments on a cognitive-affective-behavioral hierarchical model [18]. Thus, they consider perceived quality as a cognitive construct which results in effective response to the brand. Based on the above postulates discussed, we derive;

H1: Brand perception affects purchase decision positively.
H2: Brand perception affects purchase intention positively.

These hypotheses will help us to understand the role of brand perception of the customer buying process; decision making and actual purchase.

B. Purchase decision

The Purchase decision is the process that leads a consumer from identifying a need, generating options, and choosing a specific product and brands [42]. Robert [19] studied the purchase decision stages to justify a causal order between perceived quality and loyalty. Brand image clarifies if or not the brand is for the consumer and contributes the purchase decisions [43], [20] and thus, it influences the buying behavior of the customer [21], [22], thereafter brand equity [23].

H3: Purchase decision affects Purchase intention positively.

Our hypothesis stated will help us to analyze the effect of the purchase decision and its impact on the intend to buy.

C. Purchase intention

Purchase intention can be divided into unplanned, partially planned and fully planned [24]. Individual attitudes and situation determine the purchase intention [25]. Brand awareness and Brand loyalty have a positive influence on purchase intention [26]. The brand consciousness has a positive influence on the emotional value which in turn has a positive association with purchase intention [27]. Brand image has positive effects on purchase intention [28]. Brand equity has a strong positive association in determining purchase intention [29]. Brand experience, brand trust, and affective commitment have a positive influence on purchase intention [30]. Experiential value has a strong positive association with purchase intention [31], [32], [33]. Perceived quality and emotional value have a positive impact on Purchase intention [34].

III. RESEARCH METHODOLOGY

A study is conducted targeting individuals buying branded apparel using convenient sampling. Based on the previous studies, the items were included and a questionnaire is prepared using Five-point Likert scale (1=strongly disagree to 5=strongly agree). The population buying branded apparel is very high and inappropriate to identify. So a sample of 384 is determined with the confidence level of 95% and the margin of error being 5%. Self-administered questionnaire is prepared which has questions related to demographics, what they feel about the brand, shopping orientation, what influence them to purchase the brand, their experience with the brand and finally the intend to buy. The respondents were active and participated in the survey. The results were fed into SPSS. Exploratory factor analysis is conducted to reduce the dimensions. Exploratory factor analysis is a statistical technique used to reduce the data to a smaller set of 2 components. The results are shown in Table 2.

Based on the previous studies and the results obtained, we formulate the items to be included in the brand perception scale. Values for money, variety, reasonable pricing, durability, past experience, product quality were chosen after a careful study. The validity and reliability of the constructs were examined. Reliability analysis is conducted to check the homogeneity between variables. Table 1 gives the reliability scores for the factors obtained. These items were checked for reliability, and we got a Cronbach alpha score of 0.724. The items, namely; I always go for a particular brand, I seek information before decision, I keep switching brands, I will not buy if I had had experience, good experience is important for me, I expect good experience all the time were loaded onto a factor and it is named purchase decision. The Cronbach alpha score showed a value of 0.77.
confirming the reliability. The factor for purchase intention is obtained and tested for reliability. All the reliability scores are greater than 0.70 which is satisfactory for the study.

Table 1: Reliability test

<table>
<thead>
<tr>
<th>Factors</th>
<th>No. Of items</th>
<th>Cronbach's alpha score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand awareness</td>
<td>6</td>
<td>0.718</td>
</tr>
<tr>
<td>Brand perception</td>
<td>6</td>
<td>0.724</td>
</tr>
<tr>
<td>Purchase decision</td>
<td>6</td>
<td>0.77</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>4</td>
<td>0.866</td>
</tr>
</tbody>
</table>

Table 2: Results of Exploratory Factor analysis of Principal component analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value for money</td>
<td>.543</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety</td>
<td>.734</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Durable</td>
<td>.686</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product quality</td>
<td>.618</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Past experience</td>
<td>.636</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reasonable pricing</td>
<td>.678</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Particular brand</td>
<td>.577</td>
<td>.691</td>
<td></td>
</tr>
<tr>
<td>Seek information</td>
<td></td>
<td>.571</td>
<td></td>
</tr>
<tr>
<td>Switching brands</td>
<td></td>
<td>.669</td>
<td></td>
</tr>
<tr>
<td>Not buy bad</td>
<td></td>
<td>.825</td>
<td></td>
</tr>
<tr>
<td>Experience is important</td>
<td></td>
<td>.760</td>
<td></td>
</tr>
<tr>
<td>Expect good experience</td>
<td></td>
<td>.813</td>
<td></td>
</tr>
<tr>
<td>Continue purchasing branded outfits</td>
<td></td>
<td>.895</td>
<td></td>
</tr>
<tr>
<td>Willingness is high</td>
<td></td>
<td>.871</td>
<td></td>
</tr>
<tr>
<td>Willing to recommend others to buy branded</td>
<td></td>
<td></td>
<td>.802</td>
</tr>
<tr>
<td>Intend to buy</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A. Analysis

When EFA provides information about the number of factors required to represent the data, Confirmatory factor analysis is a tool that is used to confirm or reject the measurement theory. Confirmatory factor analysis is conducted for the factor loadings of Brand perception to confirm the best fit for the data. We find the CMIN value=1.38 is an indicative of acceptable fit between the hypothetical model and the sample data [44]. The comparative fit index (CFI) [45] is found to be .965. CFI value obtained is close to 1 indicate a very good fit. Root Mean Square Error of Approximation, called RMS by Steiger and Lind, and RMSEA by Browne and Cudeck [46] is .05 which indicate a close fit. Thereby we confirm the scale developed for brand perception. We developed the Brand perception scale and now our aim is to understand the effects of Brand perception on purchase decision and purchase intention. We conduct a regression analysis using SPSS. The goal of regression analysis is to create a mathematical model that can be used to predict the values of a dependent variable based upon the values of an independent variable. To perform regression, we need to check the assumptions of normality, linearity, homoscedasticity, and absence of multicollinearity. The normal Predicted Probability (P-P) plot, obtained shows mild deviations from the diagonal normality line which confirms the residuals are normally distributed. Homogeneity of variances is checked using scatter plot. Thus we can assume that the variables are linear. Our next intention is to check if there is any correlation between the variables. The correlation coefficient and VIF factors were analyzed. The VIF values are 1.0 and coefficient with magnitudes of predictor variables are greater than.80, shows they are not strongly correlated.

We perform regression analysis to test if we can predict the value of purchase decision by Brand perception. Results show the value of Beta=.537 which signifies a significant variation and the F test performed by ANOVA is found to be significant with p<.001. Thus we confirm that Brand perception affects purchase decision positively. Regression analysis is conducted to predict the value of purchase intention using Brand perception. It is evident from the results that the hypothesis is statistically significant with the Beta value of 0.558. The result supports H3. The Regression analysis is conducted to test if a purchase decision predicts the value of purchase intention. The result indicates the predictor is significant with the Beta value showing 0.425 and significant. The result supports H2.

H4: Brand perception and purchase decision affect purchase intention positively

Multiple regression analysis was used to test if the Brand perception and purchase decision significantly predicted participants purchase intention. The results of the regression indicated the two predictors explained 45% of the variance (R2 =.202, F(2, 109)=13.821, p<0.001) and are significant. However, the beta value for brand perception is reduced to 0.157 from the previous value of 0.562. This increases our curiosity to check the presence of a mediating variable. The results were shown in Table 3.

B. Mediation analysis:

A variable is defined as a mediating variable if it accounts for the relationship between two other variables [35], [36]. Mediation modelling is a statistical technique that is used to understand the relations among several variables and for testing the mechanisms by which an intervention leads to behavioral change. Baron and Kenny proposed testing mediation through three regression analyses [35]. The decision to accept or reject a mediation model is based on the results of these analyses.

According to this model, in the relation between Brand perception and purchase intention, we could note a decrease in the value of B and statistically insignificant in multiple regression which confirms the presence of partial mediation. However, information about the strength of the mediation is not gained, as with significance testing, nor is there a measure of the proportion of the independent variable’s effect on the outcome.
through the mediation pathway.

Sobel [37] and MacKinnon [36] have provided statistical techniques that build on the Baron and Kenny [35] model, with a precise picture of mediation. We conducted the Sobel test and we found the value =4.0071, P<.001 which proves that mediator, Purchase decision is significantly explained that the purchase intention is determined by Brand perception with the help of purchase decision.

### IV. CONCLUSION

Brand perception arises in a wide variety of settings; when the customers are aware about the brand, make a trial, purchase, and upon consumption or post consumption. There is a need for the marketers to compare their brand perception of the competitors for the better product position. Accordingly, we conceptualized and developed the scale for Brand perception. The scale is validated and confirmed. The items in the scale include: product quality, pricing, value for money, variety, durability and past experience. The past studies confirm the role of these items. The scale developed is internally consistent and passed the validity and reliability tests. Finally the formulated brand perception scale has behavioral impact. It affects the intent to buy directly and indirectly through purchase decision. However, this scale does not measure the perception to be positive or negative. Further research should explore the effects of positive and negative perception of the brand and its role in consumer behavior. Purchase decision plays an eminent role in stimulating the intention to buy. It is an important antecedent of purchase intention. Previous studies also state the role of Brand image, on purchase decision. The experience gained from the brand is stored in the minds of customer as brand perception and this mental state helps to trigger the decision. Previous studies state that the increase in exposure to the brand increases the awareness about the brand which forms a mental impression. Thus we can argue stating Brand identity is proportional to brand image. With a strong image about the brand, the individuals can make conscious decisions about the purchase. Further research can disclose the antecedents and long term consequences of brand perception and its role in the consumer behavior.

### 1. REFERENCES


### Table 3: Results of Regression analysis

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Correlation Coefficient (R)</th>
<th>Coefficient of determination (R²)</th>
<th>Adjusted R Square</th>
<th>Standard Error of the Estimate</th>
<th>F value</th>
<th>Significance</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Perception</td>
<td>Purchase intention</td>
<td>0.562</td>
<td>0.315</td>
<td>0.309</td>
<td>0.071</td>
<td>51.133</td>
<td>0.000</td>
<td>0.558</td>
</tr>
<tr>
<td>Purchase decision</td>
<td>Purchase intention</td>
<td>0.429</td>
<td>0.184</td>
<td>0.177</td>
<td>0.89835</td>
<td>24.856</td>
<td>0.000</td>
<td>0.425</td>
</tr>
<tr>
<td>Brand Perception</td>
<td>Purchase decision</td>
<td>0.537</td>
<td>0.288</td>
<td>0.282</td>
<td>0.847528</td>
<td>44.531</td>
<td>0.000</td>
<td>0.536</td>
</tr>
</tbody>
</table>


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