Building Brand Value: Consumer Assessment of Value

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Abstract

In recent times attention has been given in consumer behaviour to consumers assessment of value. The view that brands provide value to consumers seems well entrenched both in academia and popular culture. This study focused on examining how consumer assessments of brand fit, brand significance, and attitudes toward brands influence consumer evaluation of brand value. A study of consumers between 18 to 25 years old, across two brands of sport shoe indicate that personal, idiosyncratic assessments, such as brand fit and brand significance, along with brand attitudes influence the overall assessment of brand value.

Introduction and Purpose

Critical to a firm's success is the creation of superior value for its consumers (Huber, Herrmann and Morgan, 2001). Importantly, at the heart of marketing is the idea that two parties each give up something of value in return for something of greater value (Holbrook, 1996; 2005; Sinha and DeSarbro, 1998). Understanding how to build brand value in the eyes of consumers is critical for managers with an interest in branding. Importantly, some decades ago, Zeithaml (1988), identified that value is highly personal and idiosyncratic and not necessarily based on a price/quality ratio, arguing that for some consumers, value is low price, for others, it is a quality for price ratio, or receiving what is wanted, or a get for what I give. Zeithaml (1988) found that consumers sacrifice time, energy, effort and money, and for some consumers the sacrifice of money is pivotal, and for other consumers it may be time or effort. Importantly, Zeithaml (1988) identified value is a trade-off of higher-ordered abstractions.

Previous research has addressed several aspects of value, firstly, the construct of value is often referred to as value (Lassar, Mittal and Sharma, 1995), perceived value (Netemeyer, Krishnan, Pullig et al., 2004; Sweeney and Soutar, 2001; Zeithaml, 1988), customer value (Huber et al., 2001; Flint and Woodruff, 2001) or consumer value (Holbrook, 2005), and in the context of brands, brand value (Laroche, Teng and Kalamas, 2001). Secondly, it is generally accepted that value is a trade-off, and that both parties are better off after the transaction (Huber et al., 2001; Hsieh, 2002; Flint and Woodruff, 2001; Lassar et al., 1995; Netemeyer et al., 2004; Sweeney and Soutar, 2001; Zeithaml, 1988). Thirdly, value has been operationalised using price and quality (e.g., Grewal, Krishnan, Baker et al., 1998; Chen and Dubinsky, 2003), or as a multidimensional construct and including, symbolic and social value along with economic and functional value (Hsieh, 2002; Sweeney and Soutar, 1999). One fundamental problem with operationalising value as a price quality ratio or as a multidimensional construct is that the personal, relativistic, idiosyncratic nature of value is overlooked; this is important, as according to Zeithaml (1988) and Holbrook (2005), value is different for each consumer. Furthermore, previous research has focused primarily on its conceptualisation, measurement or operation and very little research has been done to explore the personal, idiosyncratic nature of value.

In the context of brand value, such contributions may come from idiosyncratic assessments including, brand fit and brand significance. Brand fit relies on the match-up hypothesis and

refers to a consumer's psychological assessment of compatibility or match between the brand-image and the self-image (Sirgy, Grewal, Mangleburg, et al.1997). Brand significance refers to the assessment that a brand has a meaningful role in one's life (McCracken, 1986; Mick, 1986). The purpose of this paper is to explore brand value, and personal, idiosyncratic assessments, such as brand fit and brand significance, along with brand attitudes, which are likely to contribute to brand value.

Building Brand Value through Consumer Brand Assessments

From various sources of incoming information, such as brand communications, significant referents, other brand users, product information, company information and distribution outlets (see Aaker, 1997; Biel, 1993) consumers will form a brand-image and make brand assessments. One of those assessments might be the degree of match between the consumer's image of the brand and the consumer's self-image (Ericksen, 1996). The idea of the brand-image/self-image fit, or congruence, has been labelled the match-up hypothesis (Till and Busler, 2000). The match-up hypothesis indicates that consumers may align a brand with their self-image, or that the self-image is aligned with brands used, and essentially, the more compatible the brand and the self-image, the higher the degree of fit. Alternatively, an assessment of little match between the brand-image and the self-image would be operationalised as a low level of brand fit (Eisenstadt and Leippe, 1994). On the basis of fit, a consumer may make a holistic judgment and assess a brand to have some degree of significance in their life. The idea of consumers using possessions and meaning having consequences of self-definition, self-image enhancement and providing significance was broadly discussed by Belk (1988) and uncovered through the qualitative studies from Wallendorf and Arnould (1988), analysing consumers favourite possessions, McAlexander, Schouten and Koenig (2000) studying brand communities and Kozinets (2001) studying Trekkers (Star Trek consumption). The argument is that the more a brand-image matches a consumer's self-image, the more likely it is, that a consumer will find a brand meaningful and assess it to have a significant role in their life. Alternatively, a low-match between a brand-image and a self-image is likely to lead to a low determination of brand significance. Thus, H1: Brand fit significantly influences brand significance.

According to Sirgy et al. (1997) the more extensive the fit, the more likely it will influence attitudes. When consumers assess a brand to match themselves, they are more likely to form a favourable opinion than an unfavourable opinion of a brand (Alpert and Kamins, 1995). A number of the studies have compared fit as an influencer of attitudes, in the context of brands, studies have generally been limited to brand extension acceptance (e.g., Aaker and Keller, 1990; Bottomley and Holden, 2001; Bridges, Keller and Sood, 2000; Park, Milberg and Lawson, 1991). These findings indicate that the more a consumer assesses acceptance; the more likely a consumer will form positive attitudes towards the brand extension. In the context of assessing a brand as matching the self, this similar notion could be applied, thus, the argument would be that the more likely a consumer assesses the brand to be compatible with the self, the more likely a consumer will hold favourable assessments about a brand. Thus, H2: Brand fit significantly influences brand attitudes.

Along with brand fit, brand attitudes are also impacted by brand significance. Meaningful products have been known to influence attitudes (Belk, 1988; Mick, 1992; Mittal and Lee, 1989). In the context of brands, findings have indicated that the more intense a psychological bond, the more likely that this has a positive effect on attitude towards a brand assessment

(Algesheimer, Dholakia and Herrmann, 2005; Escalas, 2004). Understanding the consequences of brand significance may help explain why some consumers have a blind preference for one brand over another (Martin, 1998). The extent of the intensity and the psychological bond that consumers have with the brand is likely to reflect the amount of time, energy, money or other resources the consumer expends beyond those expended during purchase or consumption of the brand (Keller, 2003; Thomson, MacInnis and Park, 2005). For instance, consumers may seek more than the mere product or service because of the significance a brand has in a consumer's life. Brand significance is the extent to which consumers assesses a brand as meaningful, of interest, important, relevant and having a dominant presence in their life, and the more significant, the more likely that it will influence positive brand attitudes. Thus, H3: Brand significance significantly influences brand attitudes.

Brand significance may vary depending on the role and levels of meaning in a consumer's life. Thus, it is likely a consumer will assess different levels of brand significance and the more significant a brand is to a consumer's life, the more value it provides (Dibley and Baker 2001). Significance may be aligned with short or long-term consumer goals. Long-term goals might be happiness and short-term goals might be activities in a consumer's life (Bargh, Lee-Chai, Barndollar, Gollwitzer, Tratschel, 2001; Boldero and Francis, 2002). Essentially, the argument is that the more significant a brand, the more likely a consumer will assess a brand returning to a consumer something of greater value than what was given up. Thus, H4: Brand significance significantly influences brand value.

Generally, value is in the eye of the beholder (Belk, Meyer and Bahn, 1982) and over the years in marketing, the concept of value has broadened beyond its economic roots to incorporate symbolic and experiential value (Park, Jaworksi and MacInnis, 1986). Consumers may desire value, though; it is not always assessed as being received (Flint and Woodruff, 2001). Consumers are more likely to assess value for brands that they have already made favourable assessments. So, the more likely a positive attitude is assessed, the more likely that consumers will positively assess brand value; similarly, unfavorable brand attitudes are likely to influence negative assessments of brand value. Thus, it is hypothesized that; H5: Brand attitudes significantly influence brand value.

As previously stated and shown in Figure 1, underpinning the idea that two parties each give up something of value in return for something of greater value, are the idiosyncratic assessments of brand fit and brand significance, along with brand attitudes.

Figure 1 Theoretical Relationships
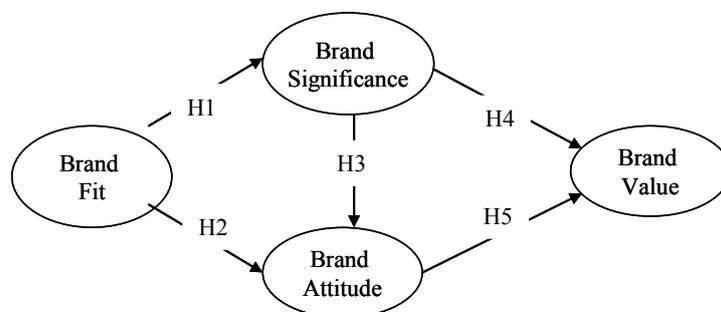
Methodology

The study, was based on the design and administration of a group administered survey of generation Y consumers aged between 18 and 25. This group were selected as the population of interest because of their size (largest generational cohort behind the baby boomers), and their economic and social influences in the marketplace (Wolburg and Pokrywczynski, 2001). The survey measures were developed following the guidelines of Netemeyer, Bearden and Sharma (2003) using a four-step procedure. Based on the first step of construct definition, the second step generated 64 items from the literature. The measure of brand fit was developed from Sirgy et al (1997), brand significance was developed from O'Cass (2004), brand attitudes was developed from Miniard, Sunil, Lord, Dickson and Unnava (1991) and brand value was developed from Sweeny and Souter (2001) and Yoo, Donthu and Lee (2000). The third step of refining and trimming the measures involved a panel of expert judges, focus groups and a pilot test of the survey. The fourth step finalised the 23 items of the measurement scale, which consisted of six items for brand fit: an example item is *I see a match between myself and brand X.* Brand significance had seven items: an example item is *for me personally, brand X is meaningful.* Brand attitudes had four items: an example item is *my attitude toward brand X is favourable* and brand value had six items: an example item is *brand X is worth it as it gives me more than other brands.* On the basis of a sample having a high-degree of familiarity with the brands and product category in a study (Keller, 1998), the product category of athletic shoes, within it, the brands of Nike (the market leader) and Asics (a prominent market follower) were chosen as the focal brands. The survey was administered in Eastern Australia.

Findings

The administration procedure yielded 236 surveys, 210 were useable, and thus the return rate was 89%. The preliminary analysis found no issues with missing data or multivariate outliers and all of the assumptions underlying the analysis were met. To analyse the data, the structural equation modeling technique of Partial Least Squares Analysis was considered the most suitable method because of its ability to test theoretical models using a small sample. Following the four-step procedure advocated by Johnson, Herrmann and Huber (2006) Partial Least Squares Analysis was evaluated. To assess the reliability of the measures the factor loadings should exceed .707, the construct reliability should exceed .70 and the average variance extracted (AVE) should exceed .50 (Johnson et al., 2006). The AVE is a measure of the shared variance in a construct and is the amount of variance captured by the construct (Dillon and Goldstein, 1984). All of the results surpassed the minimum requirements suggesting that the variance captured was reliably measuring the construct purported. Briefly, the results are reported, as follows. Brand fit loadings ranged from .81 to .94, the reliability was .96 and the AVE was .82. Brand Significance loadings ranged from .86 to .94, the reliability was .97 and the AVE was .81. Brand attitude loadings ranged from .94 to .95, the reliability was .97 and the AVE was .89. The brand value loadings ranged from .82 to .91, the reliability was .95 and the AVE was .78. The average variance accounted (AVA) for was .58.

The results in Table 1 provide support for the personal, idiosyncratic nature of value conceived by Zeithaml (1988) and Holbrook (2005). Brand fit was found to significantly influence both brand significance (H1) and brand attitudes (H2) and brand significance was found to contribute to brand attitudes (H3). The results in Table 1 indicated that contributing to the brand value, is brand significance (H4 @ 24%) contributing a little less than brand attitudes (H5 @ 34%). While brand significance and brand attitudes contributed directly to brand value, brand fit contributes to brand value indirectly. The strongest indirect effect is

through brand significance (.28) and not brand attitudes (.19). At the brand level, there are slight differences in the path coefficients and the R^2, indicating that for Nike, the brand leader, moderately stronger brand value result (R^2 .61) than Asics (R^2 .56). Additionally, the influencers of brand value, brand significance and brand attitudes are almost identical for Nike (β .43, .42), though for Asics (β .27, .55), brand attitudes (β .55) has a much greater influence. To examine potential differences in path weights across the two brands, a spooled t-test, as advocated by Grace and O'Cass (2005) was undertaken. This approach treats the estimates of the re-sampling in a parametric sense via t-tests. The results of the analysis, conducted via one-tailed t-tests indicate that even though there are differences in the path coefficients that there are no significant differences ($t < 1.96$), for the path weights across the two sport shoe brands.

Table 1: PLS Results for Product Category of Athletic Footwear H1 to H5

Exogenous constructs	Endogenous constructs	Hyp	Path coefficients	Variance due to path	R^2	t-ratio
Brand fit	Brand significance	H1	0.81*	0.66*	.66*	25.33*
Brand fit	Brand attitudes	H2	0.41*	0.28*	.51*	4.98*
Brand significance		H3	0.35*	0.23*		4.43*
Brand significance	Brand value	H4	0.35*	0.24*	.57*	5.39*
Brand attitudes		H5	0.47*	0.34*		7.33*

* denotes that all of the results surpassed the minimum requirements

Discussion

In this study, the personal, relativistic, idiosyncratic nature of value was explored, firstly, by operationalising value holistically, at a higher-level of abstraction; and secondly, by exploring the influence of brand fit, brand significance and brand attitudes on brand value. This study extended the knowledge on brand value by operationalising value in a way that captured Zeithaml (1988), Holbrook (1996; 2005) and Sinha and DeSarbro's (1998) idea that money is exchanged, value includes preference, and that each party gives up something of value to receive something of greater value in return. Also, extending knowledge, this study on value addressed the personal and idiosyncratic influence of brand fit on brand significance and brand attitudes, and identified that brand significance and brand attitudes contribute to the assessment of brand value. Given that Zeithaml (1988) and Holbrook (2005), argued that value is different for each consumer, on the basis of the personal nature of value, in the context of branding, specifically, in the Australian Athletic Footwear market, empirical support has been found for this notion.

Conclusions and Future Directions

Brand value for the brand follower, Asics, is influenced more strongly by favourable attitudes, where as the brand leader, Nike, seems to be influenced equally by favourable brand attitudes and brand significance. The results support and extend Zeithaml's (1988) and Holbrook's (2005) idea that value is personal, relativistic and idiosyncratic, by finding that brand significance and brand attitudes directly influence brand value, and brand fit indirectly influences brand value, though either brand significance or brand attitude.

Given that these findings were based on a small sample, generation Y consumers (18-25), and in a singular product category (athletic foot wear), they should be approached with caution. Based on these limitations future research could extend this area of inquiry into older consumers and different types of product categories and brands within them, and also focus on individual differences, for instance, personality. This study explored brand value and provided insight into the personal nature of brand value identifying, importantly, that brand significance, along with brand attitudes, contribute to brand value, which is a finding vital to consumer researchers with an interest in value and to firms wanting to create superior value.

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