

11<sup>th</sup> International Strategic Management Conference

## Effects of customer brand perceptions on store image and purchase intention: An application in apparel clothing

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### Abstract

Purchase intention for apparel products in retail stores has taken attention in the last decades since the sector has been growing rapidly. The aim of this study is to investigate the effects of price image, brand image and perceived risk on store image and purchase intention of consumers in apparel sector. The study also examines the mediating effect of store image on the relationship. The data was gathered through questionnaire distributed in face to face interviews. The findings of the research which was conducted on 146 retailer shoppers supported direct effect of price image, brand image and perceived risk on purchase intention. There has been also empirical evidence regarding mediating effect of store image on the relationship between price image and risk perception and purchase intention.

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Peer-review under responsibility of the International Strategic Management Conference

*Keywords:* Apparel, brand image, risk perception, price image, store image, purchase intention.

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### Introduction

Any kind of perception aimed to build on consumers is considered as a topic of marketing communication and brand management. In that sense, positioning of a mix of price, brand and store attributes aims to constitute messages and commitments for consumers in order to build targeted perception in their minds. Brand image is established with consumer perception which is treated to some extent as controllable by marketing strategists (Erdil and Uzun, 2010) and it includes brand recalls of consumers for the performance and the experience with the brand (Granot et al., 2010) and results in cognitive and emotional satisfaction (Kumar and Kim, 2014). From this perspective, brand image reflects the ability to meet consumers' needs. Brand image also reveals value and identity created for the customers (Rayburn and Voss, 2013). Consumer attitudes toward product or store brands are formed not only by positive recalls but also negative cues and recalls as well (Aghekyan-Simonian et al, 2012). Negative attitude for the brand may arise from unfavorable merchandise performance or unfavorable experience with the brand that may lead to risk perception. High levels of risk perception may cause customers not to buy the brand.

Store brands' domination in Turkish market has shown a significant increase in recent decades as in European and in other emerging markets. Store brands, also known as private label brands or retail brands, has shown significant success in recent years. The success of store brands will be based on their relative perceived quality and brand image. Apparel retail stores or retail chains seem to improve their quality in order to increase the image of the store and encourage consumer loyalty (Labeaga et al., 2007). Apparel stores improve themselves by adding multiple attributes

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such as store atmosphere and ambient, enjoyment from shopping, service quality of salesperson, relationship quality and quality of merchandise sold. All these attributes add value to the store brand by building retailer personality (Das, 2014), and product signatureness (Bao et al., 2011), and brings customer satisfaction, identification with brand and customer loyalty (Labeaga et al., 2007). A retailer who carries a brand name itself will be at an advantage of strengthening both its emotional and rational relationship with its customers. By building good relationships, a retail store can create a strong brand that differentiates itself from other retailers (Kumar and Kim, 2014). The private label, in this manner, affects the image of the retail store and enables customers to differentiate between the retailers (Mendez et al., 2008). Store brand retailers try to maintain an image combining both store image and product image in order to maintain a clear strong brand perception in customers' minds (Grewal and Levy, 2009). Retail satisfaction or shopping satisfaction from the point view of consumers includes consumers' perception of store characteristics as well as consumers' subjective evaluations of products obtained from the store (Torres et al., 2001).

Consumers' perceptions of product value is characterized by quality considerations, the pricing of the merchandise and the level of risk involved. These antecedents are used to describe perceived value, which then directly influence consumers' willingness to buy the brand (Beneke and Carter, 2015). Consumers' perceptions of product value is characterized by quality considerations, the pricing of the merchandise and the level of risk involved. These antecedents are used to describe perceived value, which then directly influence consumers' willingness to buy the brand (Beneke and Carter, 2015).

This study explores the effects of brand image, price image and perceived risk on store image and purchase intention. First, the concepts are introduced and theoretical background is provided. Upon the theory, hypotheses are developed. In the second part, research methodology including sample and data collection and measures is described. Lastly, findings are given and discussed in addition to limitations and academic implications.

## **1. Conceptualization and hypotheses development**

### *1.1 Price image*

Price has been considered as an indicator of product cost and an important parameter in marketing literature. Consumers assess prices with perceptive coding and transform price signals into cognitive structures (Beristain and Zorrilla, 2011) where a more subjective interpretation of the product's monetary value such as cheap or expensive is made (Beneke and Carter, 2015). While some consumers may prefer purchasing a product based solely on the influence of price, for many other consumers the price relative to the quality will have a greater importance (Beneke and Carter, 2015). Previous pricing research has suggested that prior knowledge and experience with the brand or product category moderates the effect of price on consumer evaluations (Grewal et al., 1998).

Pricing, also as a marketing communication tool, is used to convey some message to consumers for the product and brand perception and is influential in consumers' decision-making process. Price perceptions have been related to various factors such as the extent customers can afford the purchase, price-quality match in the minds of consumers as well as competitive prices of other brands and, how positioning takes place according to customer categories (Erdil and Uzun, 2010). Price in association with the symbols and associates of brand will identify the prestige of the brand as well. Consumers perceive that high prestige and high quality premium products eventually will be high price.

Pricing in retails has been a difficult issue considering how competition will react to prices with the possibility of price wars. During the past decades, many insights have been made into pricing issues including internal and external reference prices, effectiveness of price promotions and discounts, the role of price matching guarantees and perceived price policy fairness (Grewal and Levy, 2007; Kukar-Kinney et al., 2007; Beristain and Zorrilla, 2011).

Price-making policies of store retailers and price fairness perception of consumers has received attention in marketing and retailing literature. Previous research has focused on fairness of prices and store-level policies (Kukar-Kinney et al., 2011). Fairness perception of price addresses a judgment by a consumer regarding a seller's price. It is considered as a measure of price acceptability and can be assessed in terms of internalized and/or externalized reference prices by customers (Heo and Lee, 2011). Previous research shows that pricing procedure (i.e., pricing fairness) and a price outcome (i.e, fairness of the price paid) affect store price perceptions of customers (Kukar-Kinney et al, 2007). According to the research results, price fairness perceptions of consumers play an important role and

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