Full Length Research Paper

The impact of brand class, brand awareness and price on two important consumer behavior factors; customer value and behavioral intentions

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This paper investigates the factors affecting customer value and behavioral intentions using automobile buying behavior. Factors affecting specific aspects of consumer behavior are also explored. Building on the literature, a conceptual model is developed. The authors introduce a comprehensive customer value framework and test an extended value model with products. Based on a theoretical conceptualization of the constructs and an empirical pre test, 268 car (206 and Pride) drivers, were surveyed and the variables measured. In this research, students at Azad University, who were drivers and not purchasers of automobiles (206 and Pride), are the study population; 268 students were chosen as the statistical sample. The findings suggest that the traditional customer value process is useful for automobile research and marketing. In addition, brand awareness and price fairness concepts were found to play significant roles in the customer value process. This paper presents a novel way for them to market their brands, focusing on how consumers associate themselves with these brands.

Key words: Brand, customer value, behavioral intentions.

INTRODUCTION

This study analyzes the influence of brand class, price and brand awareness on customer value, and specifically on behavioral intentions. This study reports the results of an experiment that tests a modified customer value theory in the automobile industry. The investigation assesses the predictive validity of customer value in imminent purchase decisions. There has recently been a growing interest on value-based/ value-focused strategies. This interest is triggered by the belief that managing organizations from this perspective will increase the likelihood of success (e.g., Slywotzky, 1996). Huber et al. (2001) state that many marketing strategists and industrial-organization (IO) economists emphasize that creation of superior customer value is a key element in a company's success (Higgins, 1998; Kordupleski and Laitamaki, 1997; Milgrom and Roberts, 1995; Porter, 1996;

Woodruff, 1997; Wyner, 1996). The importance of superior customer value is acknowledged in most business strategy models (Cravens et al., 1997). A clear understanding of the concept of value is essential for the success of value-based strategies (Woodruff, 1997). Indeed, superior value of products/services delivered to customers leads to customer loyalty, the real driver of financial performance (Heskett et al., 1997; Reichheld, 1994; Reichheld et al., 2000). Reichheld and Sasser (1990) show that, on average, a five percentage point increase in customer retention leads to 40-50% increase in net present value profits. A few years later, Reichheld (1994) reports that a decrease in defection rate (or an increase in retention rate) of five percentage points can increase profits by 25- 100% and that this result is consistent across a wide array of industries. Satisfaction is a state of mind and it is only important as an indication of the intention of the most important behavior of repeat purchase, favorable word-of-mouth, and referrals. Reichheld (1994) states that customers who describe themselves as satisfied are not necessarily loyal. He reports

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that 60-80% of defecting customers. Customer value theory (Dodds and Monroe, 1985; Dodds et al., 1991; Monroe and Chapman, 1987) was modified according to the conceptual work by Martins and Monroe (1994) and to take account of lodging -specific factors such as multi branding and yield pricing strategies. General theses of customer value are reviewed, and research hypotheses are then developed. A web-based experimental study is introduced, along with the rationale for hypothesis test and study results. This study concludes with a discussion of its managerial and research implications.

The concept of customer value has drawn increasing attention from both industry executives and marketing academics as a barometer of long-term business performance (Reichheld, 1993; Slater, 1997; Woodruff, 1997). Indeed, superior value of products/services delivered to customers leads to customer loyalty, the real driver of financial performance (Reichheld et al., 2000; Heskett et al., 1997; Reichheld, 1994). Many authors have acknowledged the difficulties of defining customer value (Piercy and Morgan, 1997; Woodruff, 1997). These difficulties stem from the subjectivity and ambiguity of value, compounded by the fact that customer value is a dynamic and evolving concept (Jaworski and Kohli, 1993; Naumann, 1995).

There is a consensus in the literature that customer value is determined by customers' perceptions, not by suppliers' assumptions or intentions (Anderson and Narus, 1998; Belasco and Stayer, 1993; Woodruff and Gardial, 1996; Zeithaml, 1988). Value is defined by the customer in the marketplace, not by the supplier in the factory (Webster, 1994); Treacy and Wiersima (1995) see customer value as the sum of benefits received minus the costs incurred by the customer in acquiring a product or service. For them, benefits build value to the extent that the product or service improves the customer's performance or experience; costs include both the money spent on the purchase and maintenance, and the time spent on delays, errors, and effort. Both tangible and intangible costs reduce value. They argue that components of customer value are low price, speedy response, premium service, and high quality. Groth (1994) argues that consumers purchase products or services for other than just purely utilitarian reasons, which explains why people do not assign a value to high-quality reproductions of art work. His concept of exclusive value premium (EVP) attributes premiums above pure utilitarian value to the fulfillment of psychic need. Groth (1994) argues that psychic factors (those that contribute to an EVP) are "internal" and "external." Internal factors are independent of the opinions, influence, approval, and suggestions of others. Some factors may be perceived, but others are real external factors which depend on the real or perceived opinions, influences and approval of others. Horovitz (2000) argues that customers receive value when the benefits from a product or service exceed the costs of acquiring and using it. According to Horovitz

(2000), these benefits can be improved, extended, and expanded.

Woodruff's customer value hierarchy model

Woodruff (1997) proposed: "Customer value is a customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations". Woodruff (1997) emphasizes that value stems from customers' learned perceptions, preferences, and evaluations. His model (Figure 1) demonstrates that moving up and down the customer value hierarchy explains both desired and received value. Moving up the hierarchy suggests that customers think about products as bundles of attributes and attribute performances. They form preferences for certain attributes based on their ability to attain desired consequences, reflected in value in use and possession value. Customers also learn to prefer the consequences that help them achieve their goals and purposes. Moving down the hierarchy, customers use goals and purposes to attach importance to consequences (Clemons and Woodruff, 1992), which, in turn, guide customers when forming preferences of attributes and attribute performance (Figure 1).

Although researchers have conceptualized and tested the antecedents of customer value, most examinations of its consequences have been limited to purchase intention (e.g., Dodds et al., 1991; Grewal et al., 1998; Monroe and Chapman, 1987). More recently, Grewal et al. (1996, 1998) and Sirohi et al. (1998) incorporated search intention and store loyalty into their conceptual model of customer value. When perceiving high levels of value from a pending purchase, consumers tend to express more willingness to buy than to seek alternatives. Questions, however, remain as to whether these relationships would hold at other levels of purchase involvement. Customer satisfaction is another potential consequence of value perceptions. When they see high value in product and service offerings, consumers are likely to feel positive about their consumption experience. We show this in our study of consumers' short-term evaluations of automobiles. In the long-term context, Fornell et al. (1996) show that market satisfaction, repurchase intention, and switching behavior are consequences of customer value.

Behavioral intentions

With regard to behavioral intentions in a services setting; Parasuraman et al. (1994) proposed the most comprehensive behavioral intentions taxonomy to date. This taxonomy was initially comprised of four categories: word-of-mouth communications repurchase intention, price
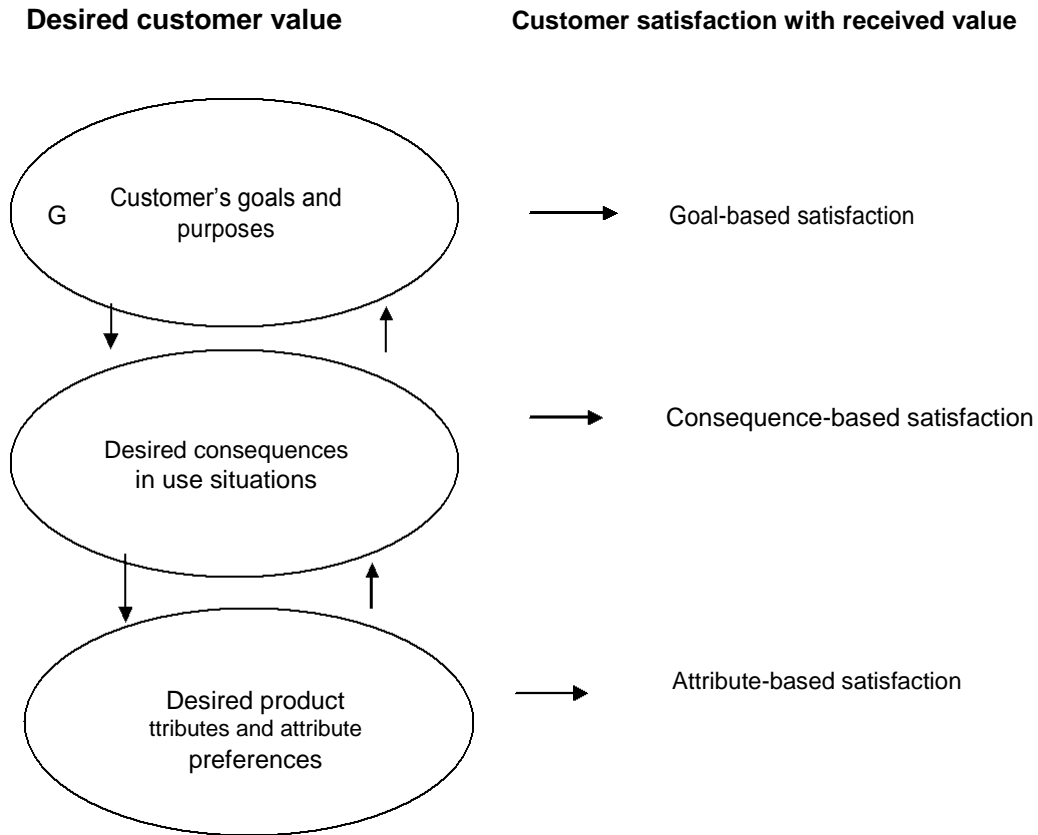
Desired customer value   **Customer satisfaction with received value**

Figure 1. Woodruff (1997) customer value hierarchy model.

sensitivity, and complaining behavior. On the basis of factor analysis, using a 13-item scale, five behavioral intention dimensions were identified by Parasuraman et al. (1994): Loyalty to company, propensity to switch, willingness to pay more, external response to problems, and internal response to problems. The relationship between service quality and customer loyalty intentions has been examined by Boulding et al. (1993) and Cronin and Taylor (1992). Cronin and Taylor (1992) focused on repurchase intentions, whereas Boulding et al. (1993) focused on both repurchase intentions and willingness to recommend. In the study by Cronin and Taylor, service quality did not appear to have a significant positive effect on purchase intentions (in contrast to the significant positive relation between satisfaction and repurchase intention); Boulding et al. (1993) found positive relationships between service quality and repurchase intentions and willingness to recommend. Likewise, in the area of customer satisfaction, ample evidence has been provided for a positive relationship between satisfaction and loyalty intentions with regard to both goods and services. Oliver and Swan (1989) found a very strong influence of customer satisfaction on intentions to repurchase automobiles, while Halstead and Page (1992)

found that satisfied customers had higher repurchase intention than dissatisfied customers did. Finally, Yi (1990) suggested that customer satisfaction is an important determinant of positive word-of-mouth.

THEORETICAL BACKGROUND AND HYPOTHESES

In the automobile industry, luxury automobiles, such as BMW and Mercedes-Benz may have a brand-name image of high product class and wide recognition. However, some motel chains, such as 206, seem to have a brand reputation that is based more on wide recognition than an image of high product class. Thus, using brand name without making a distinction between brand awareness (or recognition) and brand class may cause confounding effects and consequently reduce the value of strategic suggestions derived from the study. Both brand class and brand awareness are likely to have a positive influence on quality perceptions. Consumers are likely to buy popular brands, especially when they lack product familiarity, because they "incur psychological benefits from using brands that are popular" (Hellofs and Jacobson, 1999: 16). An example is market share that

has a positive relationship with consumers' perceptions of quality. Carminal and Vives (1996) argued that consumers interpret a higher market share as a signal of higher relative quality leading to future demand. Here, market share can be interpreted as brand awareness at the aggregate level of consumer brand perceptions.

H_1: Perceived brand class (or product class) is positively associated with perceived quality.

H_2: Perceived brand awareness is positively associated with perceived quality.

In marketing, the association between price and quality has been considered in a variety of ways. Researchers have examined the positive relationship between price and perceived quality (Etgar and Malhotra, 1981; Gerstner 1985; Leavitt 1954; Monroe and Krishnan, 1985; Rao and Monroe, 1989); between price and objective quality (Geistfeld, 1982; Gerstner, 1985; Lichtenstein and Burton, 1989); as well as the variables affecting the relationship between price and quality (Dodds et al., 1991; Mitra, 1995; Peterson and Wilson, 1985; Rao and Monroe, 1989) . Most of the literature on pricing is outcome-oriented and focuses on the prevalence of the perceived price-quality association. The general trust indicates a buyer tending to use price as a cue when other salient attributes are unclear. However, there is little research into the theory underlining the price-quality association (Dodds et al., 1991; Rao and Monroe, 1989; Zeithaml, 1988) and the psychological processes that underscores a buyer's perception of quality via price (Mitra, 1995). Little is known as to how and why buyers use price as a cue to make quality inferences. Moreover, some researchers question the evidence for inference making by buyers, as evidence of such behavior based on signalling theory is rare (Kamin and Rao, 2000).

The price-quality relationship has been a frequent research question in the marketing literature. When judging product/service quality, consumers are known to rely on cues such as brand name and price. Price as a signal of quality is most likely when the consumer is unfamiliar with the product or when the consumer has little experience with or knowledge of the product (Rao and Monroe, 1988). The relationship was also found to be additive (Levin and Johnson, 1984) and synchronous over time (Curry and Riesz, 1988).

H_3: Price is positively associated with perceived quality.

Consumer perception of price fairness is likely to be a combined function of price, brand awareness, and perceived quality. Following Zeithaml (1988: 3), perceived quality in this study is defined as the consumer's judgment about the product's excellence or superiority. For an equal level of perceived quality, a lower product price is compared to internal reference price more

price more favorably (positive fairness), whereas a higher price compares more negatively (negative fairness). Note here that internal reference price is viewed as a stable cognitive reference point for the product category under consideration (Klein and Oglethorpe, 1987; Urbany et al., 1988).

H_4: Price is inversely associated with price fairness.

When the consumer is aware of the popularity of the product, that brand awareness helps the focal price with alternative prices or the internal reference price. In contrast, a brand name unknown to the consumer is likely to mitigate the comparability of the focal price to alternative prices, thereby faring negatively with the internal reference price. Furthermore, based on their impressions with brand popularity and brand class, consumers form corresponding perceptions of quality that influence perceptions of price fairness.

Brand awareness, therefore, not only directly improves consumer perceptions of price fairness, but it also influences price fairness through quality perceptions (Haemoon, 2000).

H_5: Brand awareness is positively associated with price fairness.

H_6: Perceived quality is positively associated with price fairness.

Consumer value perceptions are a result of the trade- off between product quality and price-based perceptions of consumer sacrifice (Dodds et al., 1991; Monroe and Chapman, 1987). Customer value is positive when perceptions of quality are greater than the perceptions of financial sacrifice, or vice versa. Price tends to counteract quality perceptions of customer value judgments, whereas perceptions of price fairness tend to enhance value judgments.

H_7: Perceived quality is positively associated with perceived value.

H_8: Price is inversely associated with perceived value.

H_9: Price fairness is positively associated with perceived value.

Two consequences of customer value are investigated in this study: Purchase intention and search intention. Researchers have examined purchase intention frequently and found it to be an important consequence of value perceptions (Dodds et al., 1991; Teas and Agarwal, 1997). Researchers in the lodging industry found a positive value-loyalty relationship (Shifflet and Bhatia, 1997). Consumers perceiving high product quality and price fairness tend to buy the product. However, consumers will avoid buying the product or look for an alternative (that is search intention) when they do not perceive much quality relative to the price (Grewal et al.,
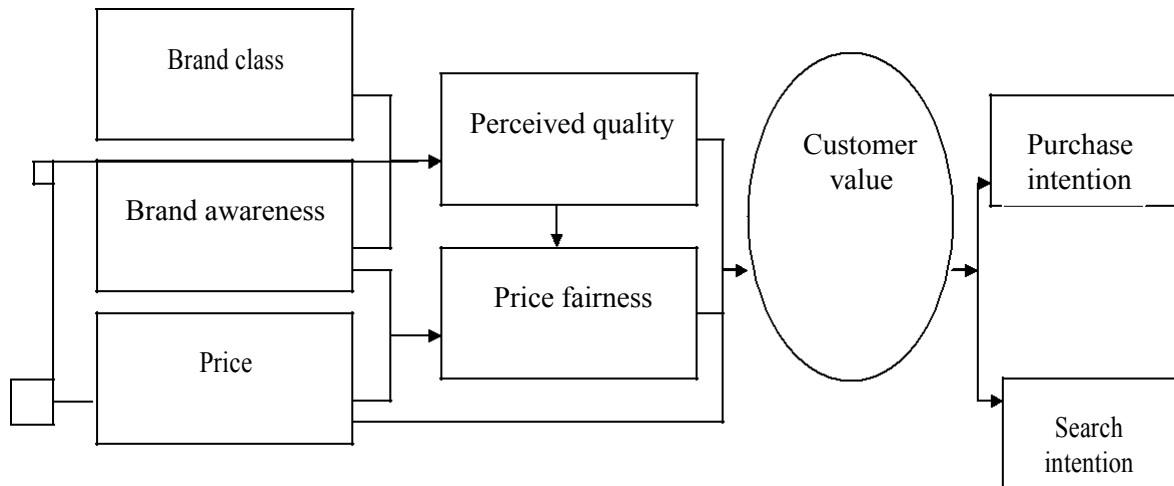
Figure 2. A conceptual model of brand and price effects on perceived quality, price fairness perceived value, and behavioral intentions (Haemoon, 2000).

1996). As such, the higher customer value perceptions, the higher their intention to buy the product, and the lower their intention to search for alternative products.

H_{10}: Customer value is positively associated with purchase intention.

H_{11}: Customer value is inversely associated with search intention.

Model overview

The overview of the model is shown in Figure 2.

MATERIALS AND METHODS

Purpose of the study

This research investigates the factors affecting customer value and behavioral intentions. Using automobile buying behavior, we introduce and test a modified theory of customer value. We can say that these two automobiles (206 and Pride) have a high market share in Iran's automobile industry (Analysis industrial automobiles, 1388).

Sample and data

The study adopted a quantitative research methodology employing a structured questionnaire and quota sampling of 320 students at Azad University in Tehran. The students who have two kinds of automobiles (206 and Pride) served as a pre-test sample. The questionnaires were distributed on an alternative basis: One on 206, and the other on Pride.

A series of revisions was based on the pre-test and reviews. The length of participation was approximately 25 min. Fifty-two incomplete surveys were removed from the dataset. The final sample was 268.

Respondents were asked to rank a list of items on a Likert scale, ranging from "strongly disagree" to "strongly agree." The first part of

the questionnaire elicited the respondents' demographic information such as gender and age.

All constructs were measured with multiple items by following previous studies (e.g., Cronin and Martin, 2001; Haemoon, 2000). Brand class was measured with four questions, brand awareness was measured with four questions, price was measured with six questions, price fairness was measured with two questions, and perceived quality was measured with four questions. Purchase intention was measured with two questions; customer value with 11 questions. Finally, search intention was a single question measure.

RESULTS AND DISCUSSION

The analysis method was based on Baron and Kenny's (1986) suggestions for mediation analysis. Because the proposed model contained hypothesized direct, as well as indirect, linear effects, mediation analysis using regression models was deemed appropriate. Although Baron and Kenny illustrated mediation analysis using a case of single measures of the independent, mediating, and dependent variables, their procedure can be generalized, without losing information, to multivariate data analysis as follows:

1. Regress the mediators on the independent variables.
2. Regress the dependent variables on the independent variables.
3. Regress the dependent variables on both the independent variables and mediators.

Following Baron and Kenny (1986), the independent variables in the first two models are expected to show statistical significance. The third model is expected to show the insignificance of the independent variables and the significance of the mediator variables.

Eight regression models were estimated to test the proposed hypotheses. First, the perceived quality equation

is:

$$PQ = \beta 0 + \beta 1 BC + \beta 2 BA + \beta 3 AP + \varepsilon, \text{ (1)}$$

Where PQ= perceived quality; BC = brand class (as measured by multiple items to check manipulation effects); BA = brand awareness (as measured by multiple items to check manipulation effects); AP = price treatment (actual prices used for manipulations); β= regression coefficients, and ε= error term. Although dummy codes could be used for BC and BA to test the high-low treatment effects, this study used quantitative measures to check manipulation effects and improve the precision in parameter estimates. Parallel analyses with dummy codes for these variables produced identical results. Hypotheses 1, 2, and 3 suggest that parameters $\beta 1$, $\beta 2$, and $\beta 3$ should be statistically significant and their signs positive. The price fairness equation is:

$$PF = \beta 0 + \beta 1 BC + \beta 2 BA + \beta 3 AP + \beta 4 PQ + \varepsilon, \text{ (2)}$$

Where PF = price fairness and the other variables are as defined in Equation 1.

Hypotheses 5 and 6 suggest that $\beta 2$ and $\beta 4$ are statistically significant and positive, while Hypothesis 4 suggests that $\beta 3$ is significant and negative. The proposed model also suggests that $\beta 1$ should be insignificant because brand class affects price fairness only indirectly through perceived quality. Two customer value equations are estimated. The first equation is the regression of customer value on the three exogenous variables only, and the second on both the three exogenous and two mediator variables.

$$CV = \beta 0 + \beta 1 BC + \beta 2 BA + \beta 3 AP + \varepsilon \text{ (3)}$$
$$CV = \beta 0 + \beta 1 BC + \beta 2 BA + \beta 3 AP + \beta 4 PQ + \beta 5 PF + \varepsilon, \text{ (4)}$$

where CV = customer value, and the other variables are as defined in Equations 1 and 2. Equation 3 must show that $\beta 1$, $\beta 2$, and $\beta 3$ are significant. Hypotheses 7 and 9 suggest that $\beta 4$ and $\beta 5$ are significant and positive, whereas Hypothesis 8 suggests that $\beta 3$ is significant and negative in Equation 4. It is also expected that $\beta 1$ and $\beta 2$ are insignificant, and that $\beta 3$ is weaker in Equation 4 than that in Equation 3. Based on the same logic, two purchase intention equations are straightforward.

$$PI = \beta 0 + \beta 1 BC + \beta 2 BA + \beta 3 AP + \beta 4 PQ + \beta 5 PF + \varepsilon \text{ (5)}$$
$$PI = \beta 0 + \beta 1 BC + \beta 2 BA + \beta 3 AP + \beta 4 PQ + \beta 5 PF + \beta 6 CV + \varepsilon, \text{ (6)}$$

Where PI = purchase intention and the other variables are as defined earlier. Only $\beta 3$, $\beta 4$, and $\beta 5$ are expected to be significant, with $\beta 3$ being negative and $\beta 1$ and $\beta 2$ are expected to be insignificant in Equation 5. Hypothesis

10 and Figure 1 suggest that only $\beta 6$ is significant and positive in Equation 6, and all the other variable parameters are insignificant.

Finally, the specification of search intention equations is identical to that of purchase intention:

$$SI = \beta 0 + \beta 1 BC + \beta 2 BA + \beta 3 AP + \beta 4 PQ + \beta 5 PF + \varepsilon \text{ (7)}$$
$$SI = \beta 0 + \beta 1 BC + \beta 2 BA + \beta 3 AP + \beta 4 PQ + \beta 5 PF + \beta 6 CV + \varepsilon, \text{ (8)}$$

Where SI = search intention and the other variables are as defined earlier.

Consequently, the expected parameter significance is the same as was in Equations 5 and 6.

However, Hypothesis 11 suggests that $\beta 6$ is significant and negative. The mean values ranged from 2.68 for brand class to 3.25 for brand awareness, and the standard deviations ranged from .51 for brand class and price to .97 for purchase intention. Because the high and low levels of each variable were aggregated across samples, the mean value range was as expected. The coefficient á for all questionnaires exceeded the threshold value of 0.7 (Nunnally, 1978) in the case of all constructs implying reliability of the constructs.

The standard deviation range also suggested that each variable had sufficient variation for subsequent hypothesis tests. Cronbach's alpha of reliability ranged from .91 to .97, indicating that the multiple items of each variable consistently measured the purported construct. Because one of the study objectives was to explore the role of brand awareness and price fairness within the existing value framework, these variables were discriminated from similar constructs examined by other researchers. To this end, a common factor analysis (Maxwell, 1977) was employed.

Initial purification of the scales was undertaken using factor analysis. Confirmatory factor analysis using SPSS was used to assess the unidimensionality and discriminate validity, and eight factors were exploited and at the end, six factors were recognitioned. Descriptive statistics of the variables appear in Table 1.

Regression results

Following Baron and Kenny (1986), eight regression models were estimated to test the proposed hypotheses. Table 2 presents the results of Equations 1 and 2. As hypothesized in Hypotheses 1 and 3, brand class and price were found to exert a significant positive impact on perceived quality ($p < 0.05$). However, the effect of brand awareness on perceived quality was marginal ($p < 0.10$), thereby providing weak support for Hypothesis 2, so Hypothesis 2 was not accepted. The two exogenous variables explained the effects of price, and perceived

Table 1. Descriptive statistics (N = 268).

Model variable	Scale	α	M	Std. deviation
Perceived quality	5	0.91	2.94	0.69
Price fairness	5	0.95	3.00	0.68
Customer value	5	o.92	3.06	0.63
Purchase intention	5	o.93	3.18	097
Search intention	5	NA	3.00	0.94
Brand class	5	0.92	2.68	0.51
Brand awareness	5	0.96	3.25	0.57
Price	5	0.97	3.03	0.51

Table 2. Regression estimates of the perceived quality and price fairness equations.

Independent variable	B	T	Sig	R^2	R	SE
Perceived quality (Equation 1)				F= 59.668 (0.000)		
Brand class	0.214	4.008	0.000	0.404	0.636	0.53684
Brand awareness	-0.003	0.063	0.95	0.404	0.636	0.53684
Price	0.511	9.439	0.000	0.404	0.636	0.53684
Price fairness (Equation 2)				F= 37.276 (0.000)		
Brand awareness	0.016	0.279	0.781	0.602	0.362	0.55019
Brand class	-0.019	-0.379	0.705	0.602	0.362	0.55019
Price	0.153	2.354	0.019	0.602	0.362	0.55019
Perceived quality	0.491	7.702	0.000	0.602	0.362	0.55019

Table 3. Regression estimates of the perceived and price value equations.

Independent variable	B	T	Sig	R^2	R	SE
Perceived value (Equation 3)				F= 76.746 (0.000)		
Brand class	0.231	4.204	0.000	0.594	0.771	0.40276
Brand awareness	0.103	2.063	0.040	0.594	0.771	0.40276
Price	0.434	7.783	0.000	0.594	0.771	0.40276
Perceived value (Equation 4)				F= 30.362 (0.000)		
Brand class	0.108	2,369	0.019	0.367	0.606	0.77722
Brand awareness	0.110	2.729	0.007	0.367	0.606	0.77722
Price	0.110	2.103	0.036	0.367	0.606	0.77722
Perceived quality	0.432	7.647	0.000	0.367	0.606	0.77722
Price fairness	0.256	5.192	0.000	0.367	0.606	0.77722

quality was also found to affect price fairness significantly ($p < 0.05$). The effects of price and perceived quality were positive, as hypothesized in Hypotheses 4 and 6. However, the effect of brand awareness on price fairness was marginal ($p < 0.30$), thereby providing weak support for Hypothesis 5, so Hypothesis 5 was not accepted (Table 2).

The results of perceived customer value (Equations 3 and 4) appear in Table 3. The effects of perceived quality, price, and price fairness were also found to affect customer value significantly ($p < 0.05$), and the effects were positive (Table 3). The results of purchase intention (Equations 5 and 6) appear in Table 4. The effect of customer value was also found to affect purchase

Table 4. Regression estimates of the purchase intention equations.

Independent variable	B	T	Sig	R^2	R	SE
Purchase intention (Equation 5)				F = 30.362 (0.000)		
Brand class	0.079	1.390	0.166	0.0545	0.738	0.66028
Brand awareness	0.106	2.101	0.037	0.0545	0.738	0.66028
Price	0.128	1.962	0.051	0.0545	0.738	0.66028
Perceived quality	0.126	5.147	0.000	0.0545	0.738	0.66028
Price fairness	0.363	2.046	0.042	0.0545	0.738	0.66028
Purchase intention (Equation 6)				F= 14.171 (0.000)		
Brand class	0.008	0.156	0.876	0.213	0.461	0.83843
Brand awareness	0.033	0.759	0.448	0.213	0.461	0.83843
Price	0.055	0.988	0.324	0.213	0.461	0.83843
Perceived quality	0.077	1.163	0.246	0.213	0.461	0.83843
Price fairness	-0.044	-0.792	0.429	0.213	0.461	0.83843
Perceived value	0.662	10.101	0.000	0.213	0.461	0.83843

Table 5. Regression estimates of the search intention equations.

Independent variable	B	T	Sig	R^2	R	SE
Brand class	0.127	2.045	0.042	0.516	0.266	0.81108
Brand awareness	0.011	0.192	0.848	0.516	0.266	0.81108
Price	-0.150	-2.106	0.036	0.516	0.266	0.81108
Perceived quality	0.164	1.952	0.052	0.516	0.266	0.81108
Price fairness	0.051	0.735	0.000	0.516	0.266	0.81108
SI (Equations 7 and 8)			F=15.780 (0.000)			

purchase intention significantly (p < 0.05), and the effect was positive (see Table 4). The results of search intention (Equations 7 and 8) appear in Table 5. The effect of customer value was also found to affect search intention significantly ($p < 0.05$), and the effect was positive (Table 5). Our empirical results represent an initial attempt in the marketing literature to study the effect of various dimensions of brand on customer value and behavioral intention. Further, and to the best of our knowledge, this is the first empirical verification of a multi-dimensional conceptual framework of customer value, simultaneously tested in automobile industry. Our findings have important implications for marketing managers. Several design and analysis characteristics strengthened the usefulness of the results. First, the reliability alpha of each construct was sufficiently high, indicating that the multiple items of each construct were internally consistent. Second, the results of this study were based on successful manipulation effects; all three exogenous variables produced the intended high-low treatment effects. Third, response involvement was rea-sonably high, which could the enhance face validity of the results. Customer value appears to be a full mediator of consumers' price-quality trade-off toward both purchase

and search intentions. In other words, price, perceived quality, and price fairness were completely mediated by customer value.

This finding supports the results of previous studies and suggests that perceived value is an important summary of consumers' decision process surrounding brand and price perceptions. This finding also adds to the literature in that customer value mediates not only price-elicited feeling of sacrifice (e.g., Dodds et al., 1991) but also price fairness as speculated by Martins and Monroe (1994). Thus, customer value is a useful concept for automobile marketers whose primary strategies are focused on quality and pricing. Building high brand awareness may mitigate consumer perceptions of price-related feelings of sacrifice. Although price has been exa-mined widely in the marketing literature, it has been done so mainly as a predictor of quality perceptions and value judgments or as an extrinsic cue to general purchase decisions. Brand class and brand awareness have different marketing implications. The former is related mainly to quality perceptions, whereas the latter is associated with price fairness. When price directly affects customer value, it has more effects than when it has indirect effects through perceived quality and price

fairness. Price signals quality, but counteracts perceptions of price fairness and value. Consumers' value perceptions fully mediate price and quality judgements toward purchase and search intentions. Purchase and search intentions are positive and negative consequences of customer value, respectively. Higher external validity of the study results can be achieved by using more active lodging customers, testing the theory in an actual purchase setting, and sampling a wider range of consumers and products. The consumers here were college students, so caution must be given to interpreting and generalizing the findings to all automobile consumers and their purchase decisions.

The proposed model can be extended to include price perceptions and perceived sacrifice. This study tested a modified value theory with automobile products; however, as found useful in previous product-oriented studies, direct inclusion of price perceptions and perceived sacrifice in the proposed model may enrich marketers' understanding of the role of price in consumer behavior. The concept of brand awareness, as compared to brand class, needs further attention in marketing research. The results of this study provided a useful beginning point for much more rigorous studies on the concept. Many related questions await careful investigations: What is the role of brand awareness relative to brand class in different industries? What are the effects of brand awareness as nested in brand class? How can marketers build brand awareness? In other words, what improves brand awareness? Additional conceptual and qualitative studies are necessary to distinguish the effects of brand awareness from those of similar concepts such as brand class.

Recommendation

Customer value seems to be a useful concept in marketing consumer products. Although the automobile industry has invested heavily in improving customer satisfaction and service quality for years, commensurate investment had not been given to customer value-based strategy development. In addition, marketers might want to include measures of customer value perceptions so that the measures could serve as a guiding index in strategy formulation efforts

Price should receive a serious consideration in automobile marketing. This study showed how price becomes involved in consumers' value judgments. Consumers consider not only the focal product price, but also the prices of alternative products (that is, reference price) . Customer value, as tested in this study, appears to be a powerful predictor of a purchase and a critical deterrent of search behavior. Industrial marketers should consider improving perceptions of consumer value by counter-balancing price and product offerings. Neverthe-less, the automobile industry's current pricing strategy is

based, to a great extent, on the demand volume. The practice of this demand- oriented pricing may neglect the impact that consumers' psychological feeling about the price may exert on whether to buy the product or to switch to competitor products. Thus, marketers should develop a mechanism that can incorporate systematically into corporate pricing policies consumer price perceptions of both the focal product and its competitor products, in addition to market demand. Establishing strong brand awareness among potential customers contributes to en-hanced value judgments, increased purchase intention, and decreased search behavior.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

While our data supported the behavioural intentions and customer value, we used samples in only college students, limiting the generalizability of our findings. Future studies should conduct empirical verification of our conceptual model across a wider range of samples in terms of marketing. Further studies could also be extended to beyond automobile that may include high-contact services such as travel, mobile sets. Research is also necessary to delineate boundary conditions of the brand class and brand awareness on customer value and behavioural intentions. Additionally, it would be in-teresting to examine the dynamic evolution of the impact of brand class, brand awareness and price on customer value over time. Specifically, the longitudinal significance of social, personal and functional value dimensions in the light of the current economic recession and increased consumer emphasis on sustainability should be explored. So all the recommendations can be useful for good areas of consumer behavior. From the study it can also be concluded that effects of brand class, brand awareness and price on customer value, and behavioural intentions will be different when examining different product and demographic target segments.

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