The Effect of Perceived Benefit on Consumer Based Brand Equity in Online Shopping Context

Fayda Algısının Çevrimiçi Alışveriş bağlamlında Tüketici Bazlı Marka Değeri Üzerindeki Etkisi

Edin Güçlü SOZER¹
Mustafa Emre CİVELEK²

Orcid No: 0000-0003-4984-4629
Orcid No: 0000-0002-2847-5126

Abstract

The perception of consumers related to the benefits of using online channels for shopping is an important factor in the determination of their intention to shop online. This study aims to contribute to the current literature by (1) shedding light into the nature and extent of the relationship between perceived benefit and consumer based brand equity in an online context, (2) exploring the relationship between the sub-dimensions of consumer based brand equity, and finally (3) proposing and testing a structural model of these relationships between perceived benefit, consumer based brand equity and its sub-dimensions. The results of the study confirm that consumers’ benefit perception related to online shopping leads the way to the formation of consumer based brand equity by affecting brand awareness and mediating the relationship between brand awareness and perceived quality. Another finding of this study is that there is a positive relationship within the sub-dimensions of consumer based brand equity in a sequential structure, which brings consumers from the basic awareness level about the brand to the formation of brand associations, as well as the perception of quality and consequently resulting to support the level of loyalty through brand associations.

Keywords

Consumer based brand equity • perceived benefit • brand awareness • brand associations • perceived quality • brand loyalty • online shopping

Öz

Tüketicilerin çevrimiçi kanalları alışveriş yaparken fayda algısı ile tüketici bazlı marka değeri arasındaki ilişkinin doğasını ve kapsamanı ışık tutmak, (2) tüketici bazlı marka değeri’nin alt boyutlarını arasındaki ilişkiyi ortaya çıkarmak, (3) fayda algısı, tüketici bazlı marka değeri ve alt boyutları arasındaki sırалı ilişkinin ölçen bir model sunmak ve test etmek. Çalışmanın sonuçları, tüketicilere çevrimiçi alışveriş yapmaya yönelik fayda algısı’nın, hem marka farkındalığı üzerinde hem de marka fakındalığı ile kalite algısı arasındaki ilişki üzerinde etkili olduğunu ve bu iki etki ile beraber tüketici bazlı marka değeri’nin oluşmasına katkı yaptığı göstermektedir. Bu çalışmanın sonuçlarından bir tanesi de tüketici bazlı marka değerinin alt boyutları arasında sırası bir ilişki olduğunu tespit edilmesidir. Bu sıralı ilişkiler çerçevesinde, temel marka farkındalığı marka çağrışmaları ve kalite algısının oluşmasına pozitif katkı yapmakta ve buna bağlı olarak marka çağrışmaları aracılığı ile marka bağlılığı seviyesine destek olmaktadır.

Anahtar Kelimeler

Tüketici bazlı marka değeri • fayda algısı • marka farkındalığı • marka çağrışmaları • kalite algısı • marka bağlılığı çevrimiçi alışveriş

Transition from digitally illiterate to a digitally native world is the result of the radical transformation we have experienced since the last several decades starting with the introduction of Internet, which keeps penetrating into the consumers’ daily lives in all over the world. Internet, has experienced a radical evolution and transformed into a platform which serves to consumers not only as a communication medium but also as a transaction tool used for shopping (Çemberci et al. 2013).

¹ Correspondence: Edin Güclü Sözer, (Asst. Prof.), Okan University, Faculty of Business and Administrative Sciences Building, Department of Business Administration, E-posta: edin.sozer@okan.edu.tr
² Mustafa Emre Civelek, (Asst. Prof.), İstanbul Ticaret University, Faculty of Business Administrative, Tourism and Hospitality Management. E-mail: ecivelek@ticaret.edu.tr

In a business to consumer (B2C) context, consumers use the Internet for multiple purposes including searching, comparing and purchasing products and services (Sinha, 2010). Total online retail sales in the world reached at 1.9 trillion $ in 2016 which constitutes 8.7% of total retail sales and this share is expected to rise to 15.5% as the end of 2021 (Statista, 2017). As a country which has the largest share in this category, total online retail sales volume in United States reached at 395 billion $ level in 2016, increasing 15.6% compared to the previous year. The contribution of online retail sales in the United States to the growth of total retail sales volume is 46 % (US Department of Commerce, 2017). This clearly shows how online shopping shapes the industry’s performance and indicates that it is a critical channel for all retailers.

The rising volume of global e-commerce sales in retail industry as well as its improving share in total retail spending put online consumer behavior into the research agenda of both academics and professionals. From the orientation perspective, two research streams, consumer and technology orientations for measuring the online patronage intentions of consumers, have been dominated the current literature (Jarvenpaa and Todd, 1997). Demographics, psychological characteristics, benefit and risk perceptions, motivations and shopping orientations of consumers were the main research areas in the previous studies on online consumer behavior (Brown et al. 2003; Chau et al. 2002; Huang 2003; Lynch and Beck 2001; Xia 2002; Çemberci et al. 2013; Bhatnagar and Ghose 2004; Childers et al. 2001; Johnson et al. 2004; Donthu and Garcia 1999; Korgaonkar and Wolin 1999).

On the other hand, understanding of online consumer behavior is the critical factor for retailers to design and maintain online stores which will resonate with their target market (Vijayasarathy and Jones, 2000), the technology-oriented view, explored the dynamics of the consumers’ intention to shop online from technological perspective and examined the technical features such as design, content, user interface and usability.

As firms struggle for both acquiring to and retaining of consumers in today’s cluttered and highly competitive markets to sustain superior market performance via customer base growth, two key important constructs, namely perceived benefit and consumer based brand equity, play important roles in consumer decision making process.

Academic literature includes many studies which show this positive effect of perceived benefit (Tanadi et al. 2015; Liu et al. 2013; Zhang et al. 2013; Choi et al. 2013) and consumer based brand equity (Koapaha and Tumiwa 2016; Monavvarian et al. 2015; Fouladivanda et al. 2013; Buil et al. 2013) on consumer behavior.

Despite the existence of many studies in the marketing literature examining the relationship of these constructs with consumer behavior, to our best knowledge, the number of studies that aim to understand the relationship between perceived benefit, consumer based brand equity and its sub-dimensions are scarce. This study aims contribute to the current literature by (1) shedding light into the nature and extent of the relationship between perceived benefit and consumer based brand equity, and finally (3) proposing and testing a conceptual model of these relationships between perceived benefit, consumer based brand equity and its sub-dimensions. Concisely, research question of this study is as follows:

Do the benefit perceptions of the customers regarding online shopping have an effect on the level of customer based brand equity of e-retailers?

In this framework, the conceptual background of perceived benefit, consumer based brand equity and its sub-dimensions are explained first. This is followed by the introduction of initial research model together with the hypothesis developed based on the findings of the previous studies in the current literature. The following sections included the explanation of the research methodology, testing of hypothesis and finally the presentation of managerial implications.

Conceptual Background

Perceived Benefits

An exchange between the two parties in an online context is expected to occur when the value equation results in a positive way for both parties (Civelek and Sözer, 2003). Generally, customer value is identified under three different categories, namely value component models, benefits/costs ratio models and means-end models (Khalifa et al. 2004). Zeithaml (1988) defined the perceived value as the consumers’ assessment of the ratio of perceived benefits to perceived costs. Thus, the perceived benefits concept which is employed in this study is a component of customer perceived value derived from benefits/costs ratio models.

As a general definition, perceived benefits are the sum of advantages that satisfy the needs and wants of consumers (Wu, 2003) and in an online context, it reflects the belief of consumer about the extent to which he or she will become better off from a specific online transaction which is conducted on a certain web site (Kim et al. 2008). In online context, perceived benefits are generally studied on utilitarian and hedonic bases (Zhang et al. 2013; Bhatnagar & Glosh, 2004. Utilitarian benefits are regarded as functional and cognitive means which lead to some consumer value (Chaabane and Volle, 2010). On the other hand, hedonic benefits are related with experiential and
emotional benefits (Hirschman and Holbrook, 1982).

This study incorporates both orientations to the perceived benefits concept and based on the current literature identifies shopping convenience, shopping flexibility and product selection as the three categories of perceived benefits in an online context.

Shopping Convenience in the online shopping context is a perception of the consumers regarding their freedom to make their online transactions without any location limitations and having no obligation to visiting the physical store (Forsythe et al., 2006), and it also reflects their energy saving when they prefer online shopping instead of visiting the physical store (Brown, 1990). In the search phase of the journey customers experience the search convenience by searching and comparing the products online without spending too much physical effort (Seiders et al., 2000), they can purchase the product without visiting the store which leads to possession convenience (Tanadi et al., 2015) and finally, the product is purchased and delivered fast and there are no time issues such as serving hours altogether providing a time saving convenience for consumers (Junwati, 2014; Kwok et al., 2010). Much of the research in the current literature involves exploring the effect of perceived convenience on buying intentions. Findings of the studies confirm that perceived convenience positively affects consumers’ purchase intentions in an online context (Chiang and Dholakia, 2003; Jih, 2007). For the purpose of this study, authors incorporated no waiting time in stores (time saving) and easy buying process (ease of use) as two convenience benefit types based on the findings of the previous studies.

Waiting time in physical stores is an important factor which leads to the dissatisfaction of consumers (Katz, Larson, & Larson, 1991) and consequently affects the patronage intentions of consumers towards the store negatively (Hui, Dubé, & Chebat, 1997). On the other hand, online shopping is perceived as time saving by consumers (Alreck and Settle, 2002) and based on the previous studies, it is an important factor in using online shopping (Morganovsky and Cude, 2000). Several previous studies confirm the positive effect of time saving benefit on online shopping intentions of consumers (Kit Chang et al. 2005; Raijas and Tuunanen, 2001; Limayem et al. 2000). Another advantage of online shopping is its relative ease of executing a buying process compared to physical environments. E-retailers need to improve their website functionality and user experience in order to positively affect consumer perceptions towards online shopping (Prasad and Aryasri, 2009). If consumers experience difficulties in the purchase process through the website of the e-retailer, it becomes a barrier for the online purchase (Ranganathan and Ganapathy, 2002) and has a negative effect on sales (Bellman et al. 1999).

The second category of benefit perception incorporated into this study is shopping flexibility. This benefit of online environments helps consumers to eliminate the time constraints which they experience in physical store environments (Çemberci et al. 2013). Accessibility is one of the most important attributes of online shopping for most of the consumers where consumers can execute the searching and shopping transactions within the comfort of their private environment without any physical boundaries and with less effort (Wolfinger and Gilly, 2001). Time pressure perception is another factor which plays an important role in shaping consumer behavior especially in retail stores (Howard and Sheth, 1969). Under time pressure, consumers lose their concentration to the unique features of products (Dhar and Nowlis, 1995) and purchase processes are more likely to fail compared to situations without any time constraint (Park et al. 1989). Online shopping provides the flexibility of shopping without any time constraints, which means consumer may start their shopping process anytime they like and they do not have to complete the transaction at once.

Product selection, the third perceived benefit of online shopping employed in this study, includes the benefits related to the wider selection of products and services and corresponding information availability in the online environment. The consumers get the chance to browse product and services extensively, compare prices and execute transactions on the internet (Forsythe and Shi, 2003). When we compare the online retailer with conventional physical stores, the former offers a wider range of product categories as well as wider range of products within the same product category (Srinivasan et al. 2002). Moreover, the possibility of finding hard to find products and extensive information is higher in online stores compared to physical stores (Hoffman et al. 1995). Previous studies confirm the positive effect of product selection benefit on consumers’ online purchase intention (Guo et al. 2012; DelaFroz et al. 2010; Li and Zhang, 2002).

Consumer Based Brand Equity

Brand equity has been conceptualized in the current literature mainly in two perspectives including consumer perspective and financial perspective (Aaker, 1991; Simon and Sullivan, 1993). This study incorporates the consumer perspective of brand equity, namely consumer based brand equity, defined as the “a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s consumers” (Aaker, 1991). Another definition of consumer based brand equity was provided by Keller (1998) as “the differential effect that brand knowledge has on consumer response to the marketing of that brand”. A strong
consumer based brand equity contributes to the purchase intentions of consumers (Chang and Liu, 2009), creates insensitivity of consumers towards price increases (Keller, 2003), and support firms to increase their both financial performance and market shares (Kim et al. 2003, Erdem et al. 2002).

Many studies in the current literature aim to identify and validate the sub-dimension of consumer based brand equity (Kumar et al. 2013; Buil et al, 2008; Vazquez et al, 2002; Yoo and Donthu, 2001; Lassar et al, 1995). For the purpose of this study, the authors employed the four of the sub-dimensions of Aaker’s (1991) consumer based brand equity conceptualization, namely brand awareness, perceived quality, brand associations and brand loyalty.

Brand awareness, one of the most important components of consumer based brand equity, refers to the strength of brand name in consumers’ mind and it is defined as “the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category” (Aaker, 1991). Both Keller (1993) and Aaker (1991) conceptualize the brand awareness in a multi-level structure. According to Aaker (1991), brand awareness is composed of three levels including brand recognition, brand recall and top of mind. Similarly, Keller (1993) employs two levels as brand recognition and brand recall where recognition occurs when consumers recognize the brand when they are exposed to brand related stimuli and brand recall occurs when consumers retrieve the brand name without the help of any stimuli. Brand awareness contributes to the consumer based brand equity by playing the role of basket which many associations can be placed in, by creating familiarity, by representing the commitment of the customers and by taking brand into consideration list (Aaker, 1991).

The second dimension employed in the consumer based brand equity construct is perceived quality, different from objective quality which involves an objective aspect or feature (Garvin, 1983 in Rowley, 1998), is defined as “the consumer’s judgement about a product’s overall excellence or superiority” (Zeithaml, 1988). The perceived superiority of a brand in consumers’ mind is derived from intrinsic cues such as physical attributes of performance and durability and extrinsic cues such as brand name (Asshidin et al., 2016). Many studies in the current literature confirm the positive effect of perceived quality on consumer intentions to purchase (Kumar et al. 2009, Tsiotsou, 2006, Cronin et al. 2000).

Brand associations is the third sub-dimension of consumer based brand equity and these are informational nodes that are linked to the brand in the memory (Keller, 1998). Brand knowledge is formed by these informational nodes linked to the brand and it is the combination of band awareness and image (Keller, 1993). The brand knowledge and consequently the links in the memory will be stronger when consumers’ experiences with the brand or exposures to communications become intensive, and when a network of other links supports it (Aaker, 1991). Brand associations are an important factor in the formation of consumer based brand equity (Rio et al. 2001) and create value for the brand by differentiating, positioning and creating positive attitudes and feelings (Low and Lamb, 2000).

Brand loyalty, the last and ultimate sub-dimension of consumer based brand equity, is defined from behavioral as well as attitudinal perspectives (Javalgi and Moberg, 1997). Yi and Jeon (2003) define the behavioral loyalty as the repeated purchases of a particular brand’s products and services over a time period. On the other hand, attitudinal loyalty reflects the commitment of consumers to rebuy or repatronize a preferred product or service consistently (Oliver, 1997). Brand loyalty becomes much stronger when consumers show both behavioral and attitudinal loyalty at the same time. A loyal customer base provides many competitive advantages for the brand such as creating a barrier to entry for competitor firms, providing the opportunity to apply price premiums, reducing marketing costs, and protecting the brand from competitor actions (Mellens et al. 1996).

**Research Model And Hypothesis Development**

The proposed research model in Figure 1 aims to test the relationship between perceived benefit and consumer based brand equity, as well as the relationship between the sub-dimensions of consumer based brand equity.

**The Relationship between Perceived Benefit and Retailer Brand Awareness**

Previous studies confirm the positive relationship between perceived benefit and intention to shop online (Liu et al. 2013; Soopramanian, 2011). The propensity of consumers for using online stores for their purchases due to the perception of benefits leads to the increasing involvement into the online environment. Increasing level of involvement into the online shopping concept results in increasing attention to the advertising and cognitive processing of the advertising (Celsi and Olson, 1988). This brings an advantage to the brands which operate in online environment since consumers become more open to engage with these brands. Studies confirm the positive effect of perceived benefit on brand awareness directly or indirectly in different contexts including online environments (Meenaghan, 2001; Loureiro, 2013). In the light of the existing literature we hypothesize that:

**H1:** Perceived Benefit has a positive effect on Brand Awareness.
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The Relationship between Perceived Benefit and Perceived Quality

Perceived quality is a combination of some attributes related to a product or service which are composed of intrinsic and extrinsic cues (Olson, 1977). While intrinsic cues are related with the product itself, extrinsic cues are not related with the product and include brand name, advertising, price and similar non-product cues (Zeithaml, 1988). Previous studies confirm the positive effect of different types of extrinsic cues on perceived quality in several contexts (Völkner and Hofmann, 2007; Acebron and Dopico, 2000; Richardson et al. 1994).

Perceived benefits of using online channels such as shopping convenience, shopping flexibility and product selection create an expectation in consumers’ mind related to their transaction with the online retailer. Thus, authors argue that these perceived benefits can be also regarded as extrinsic cues which contribute to the positive perception of quality of the online brand. In the light of the existing literature in order to shed light into the unexplored effect of perceived benefit on perceived quality, we hypothesize that:

H2: Perceived Benefit has a positive effect on Perceived Quality.

The Relationship between Retailer Brand Awareness and Perceived Quality

Perceived quality is a subjective judgement of consumers and it is affected by previous experiences of consumers with the brand (Chi et al. 2009). Brand name can be listed as the one of the experience factors which leads to the formation of quality perception towards the brand (Dawar and Parker, 1994). When consumers experience a shopping situation, intrinsic cues related to the quality follow a sequential order in consumer’s mind where brand name is the first element which comes to mind before the other elements (Vranesevic and Stancec, 2003). Thus, name of the brand as the core part of the brand awareness plays an important role in the formation of perceived quality (Jacoby et al. 1971) and this brings us to the conclusion that strong brand awareness leads to higher perception of quality (Dib and Alhaddad, 2014; Kan, 2002; Lo 2002; Wall et al. 1991; Dodds and Grewal, 1991). Consequently, in the light of the existing literature, we hypothesize that:

H3: Brand Awareness has a positive effect on Perceived Quality.

The Relationship between Retailer Brand Awareness and Retailer Brand Association

Brand Awareness provides consumers with the ability to recognize or recall the brand (Keller, 2008) and consumers can use the brand name as a symbol to identify and predict the service results (Merbig and Milewicz, 1993; Janiszewski and Van Osselger, 2000). On the other hand, consumers use brand associations to process, organize and retrieve information in memory in order to make easier purchase decisions (Aaker, 1991). Brand awareness is a precedent of brand associations and supplies information for the formation of a broader brand association dimension, which helps the consumers in their purchasing decisions and affects consumer based brand equity (Keller, 2003). Thus, in the light of the existing literature, we hypothesize that:

H4: Brand Awareness has a positive effect on Brand Associations.
The Relationship between Perceived Quality and Retailer Brand Association

According to Aaker (1991) and Keller (1993), positive perception of quality related to a brand is the basis for the formation of favourable brand associations. Consequently, assessing the attitude towards the brand and perceived quality is the ideal way of measuring brand associations (Low and Lamb, 2000). Brand associations are formed by three categories, namely attitudes, attributes and benefits (Keller, 1998) and attitudes reflect the overall evaluation of consumers towards a brand. Taking into consideration that perceived quality is also a subjective judgement of consumers (Chi et al. 2009), we can conclude that it can be regarded as one of the determinants of overall evaluations of a brand. Thus, in the light of the existing literature, we hypothesize that:

H5: Perceived Quality has a positive effect on Brand Associations.

The Relationship between Retailer Brand Association and Retailer Brand Loyalty

Cheng and Chen (2001) argue that whatever the type of brand associations is, whether attributes, benefits or attitudes (Keller, 2003), the connotations in the consumers’ mind about the brand are the core asset for building stronger brands. When they are exposed to marketing stimuli from a brand, consumers react positively when they have strong and positive associations towards the brand (Yoo et al. 2000; Park and Srinivasan, 1994), and this leads to the formation of a loyal customer base. Current literature includes many studies which confirm the positive relationship between brand associations and brand loyalty in different contexts and situations (Tokmak and Aksoy, 2016; Azadi et al. 2015; Al-Abdallah, 2013; Eryiğit, 2013; Sadeghi and Rad, 2012). Thus, in the light of the existing literature, we hypothesize that:

H6: Brand Associations have a positive effect on Brand Loyalty.

The Mediator Role of Retailer Brand Awareness between Perceived Benefit and Perceived Quality

The three perceived benefit types of using online channels, namely shopping convenience, shopping flexibility and product selection, can be regarded as the extrinsic cues which can contribute to the positive perception of quality for the brand by creating an expectation in consumers’ mind. Since perceived benefit (Meenaghan, 2001; Loureiro, 2013) as well as perceived quality (Dib and Alhaddad, 2014; Kan, 2002; Lo 2002; Wall et al. 1991; Dodds and Grewal, 1991) have relationships with brand awareness, authors argue that it is expected for brand awareness to influence the relationship between perceived benefit and perceived quality. Thus, in the light of the existing literature, we hypothesize that:

H7: Retailer Awareness plays mediator role on the relationship between Perceived Benefit and Perceived Quality.

Research Methods

In this research five-point Likert scale survey was used in order to collect quantitative data. Confirmatory factor analysis and reliability analysis were conducted to determine the reliability and validity of the scales taken from literature. The hypotheses of the conceptual model were tested by structural equation modelling method which is a multi-variable statistical method (Byrne, 2010). This method was used to clarify direct and indirect relationships between variables in the hybrid model (Meydan & Şeşen, 2011). This method was chosen for eliminating measurement errors (Byrne, 2010). AMOS and SPSS statistics programs were used for analyses.

Measures and Sampling

The scales adopted from prior studies were used to measure the dimensions. The measurement of Consumer Based Brand Equity was adopted from Pappu and Quester (2006) who employed the scale developed and validated by Yoo and Donthu (2001). This scale was empirically tested and validated also in many other studies in the literature (Pappu et al., 2005; Washburn and Plank, 2002). For the purpose of this study, authors tested the internal reliability of the scale and dimensions of the scale resulted in Cronbach Alpha scores of 0,528 for Brand Awareness and Associations, 0,848 for Perceived Quality and 0,881 for Brand Loyalty. Perceived Benefit scale was adopted from the works of Forsythe et al. (2006) who developed, empirically tested and validated the scale. Authors reported Cronbach Alpha scores of 0,898 for perceived Convenience, 0,780 for Ease of Shopping dimension, 0,797 for Product Selection and 0,771 for hedonic dimensions. Five-point Likert scale ranging from strongly disagree to strongly agree was used.

For the purpose of this study, the population from which subjects were choosen is defined as the customers of three e-retailers who live in three big cities of Turkey (İstanbul, Ankara and İzmir). Sample frame was the list of active customers who made at least one transaction in the last twelve months in these three e-retailer stores. Subjects were choosen by employing the systematic sampling methodology. A total of 500 questionnaires were distributed, and 406 valid ones were gathered from the customers.
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After the data purification process, 23 items were included in the confirmatory factor analysis. To assess convergent validity, confirmatory factor analysis was performed on the scales by using AMOS 23 (Anderson & Gerbing, 1988). CFA results indicated that the model was an adequate fit: $\chi^2$/DF = 1812, CFI=0.968, IFI=0.969, RMSEA= 0.045. CMIN is The Likelihood Ratio Chi-Square Test.

### Table 1: Scale Items Statements

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Items</th>
<th>Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer Brand Awareness</td>
<td>Aws01</td>
<td>I know this store very well and i'm totally aware of it’s name.</td>
</tr>
<tr>
<td></td>
<td>Aws02</td>
<td>I can easily remember some of the features of this store.</td>
</tr>
<tr>
<td></td>
<td>Aws03</td>
<td>I can easily recognize this store among others.</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>Pqy03</td>
<td>Features of the products sold in this store are perfect.</td>
</tr>
<tr>
<td></td>
<td>Pqy02</td>
<td>The products offered by this store keep their quality level same for a long time.</td>
</tr>
<tr>
<td></td>
<td>Pqy01</td>
<td>This store offers high quality products.</td>
</tr>
<tr>
<td>Retailer Brand Association</td>
<td>Ras01</td>
<td>This store’s design and atmosphere is very good.</td>
</tr>
<tr>
<td></td>
<td>Ras03</td>
<td>This store’s product range is extremely large.</td>
</tr>
<tr>
<td></td>
<td>Ras02</td>
<td>This store provides many facilities during shopping.</td>
</tr>
<tr>
<td>Shopping Flexibility</td>
<td>Sfx04</td>
<td>Shopping Online (Internet) allows me to shop whenever I want.</td>
</tr>
<tr>
<td></td>
<td>Sfx03</td>
<td>Shopping Online (Internet) saves my efforts of visiting multiple stores</td>
</tr>
<tr>
<td></td>
<td>Sfx01</td>
<td>Shopping Online (Internet) at home provides me more privacy and comfort.</td>
</tr>
<tr>
<td>Product Selection</td>
<td>Psl03</td>
<td>The product range is very large in the Internet.</td>
</tr>
<tr>
<td></td>
<td>Psl02</td>
<td>I can get a very detailed product related information on the Internet.</td>
</tr>
<tr>
<td></td>
<td>Psl01</td>
<td>I can easily find the product I want during online shopping (Internet).</td>
</tr>
<tr>
<td></td>
<td>Psl04</td>
<td>I can find many brands and stores in the internet.</td>
</tr>
<tr>
<td>Shopping Convenience</td>
<td>Scv01</td>
<td>I do not have to wait for a store staff to assist me during online shopping (Internet).</td>
</tr>
<tr>
<td></td>
<td>Scv02</td>
<td>I do not face any difficulty during online shopping (Internet).</td>
</tr>
<tr>
<td></td>
<td>Scv03</td>
<td>I do not feel embarrassed even I leave the online store without buying anything in online shopping (Internet).</td>
</tr>
<tr>
<td></td>
<td>Scv04</td>
<td>I do not have to wait in online stores (Internet).</td>
</tr>
<tr>
<td>Retailer Brand Loyalty</td>
<td>Lyt02</td>
<td>If I find the product that I am looking for in this store, definitely I will not purchase it from any other stores.</td>
</tr>
<tr>
<td></td>
<td>Lyt01</td>
<td>I am a loyal customer of this store.</td>
</tr>
<tr>
<td></td>
<td>Lyt03</td>
<td>This is my most preferred and favorite store.</td>
</tr>
</tbody>
</table>

### Table 2. Confirmatory Factor Analysis Results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Standardized Factor Load</th>
<th>Unstandardized Factor Load</th>
<th>Communality</th>
<th>Critical Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer Brand Awareness</td>
<td>Aws01</td>
<td>0.799</td>
<td>1</td>
<td>0.717</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aws02</td>
<td>0.917</td>
<td>1.066</td>
<td>0.797</td>
<td>20.856</td>
</tr>
<tr>
<td></td>
<td>Aws03</td>
<td>0.841</td>
<td>0.831</td>
<td>0.722</td>
<td>18.985</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>Pqy03</td>
<td>0.840</td>
<td>1</td>
<td>0.715</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pqy02</td>
<td>0.866</td>
<td>1.076</td>
<td>0.728</td>
<td>21.031</td>
</tr>
<tr>
<td></td>
<td>Pqy01</td>
<td>0.866</td>
<td>1.056</td>
<td>0.721</td>
<td>21.027</td>
</tr>
<tr>
<td>Retailer Brand Association</td>
<td>Ras01</td>
<td>0.790</td>
<td>1</td>
<td>0.631</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ras03</td>
<td>0.697</td>
<td>0.831</td>
<td>0.554</td>
<td>14.273</td>
</tr>
<tr>
<td></td>
<td>Ras02</td>
<td>0.788</td>
<td>0.957</td>
<td>0.607</td>
<td>16.465</td>
</tr>
<tr>
<td>Shopping Flexibility</td>
<td>Sfx04</td>
<td>0.767</td>
<td>1</td>
<td>0.693</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sfx03</td>
<td>0.611</td>
<td>1.109</td>
<td>0.687</td>
<td>10.570</td>
</tr>
<tr>
<td></td>
<td>Sfx01</td>
<td>0.613</td>
<td>0.808</td>
<td>0.521</td>
<td>10.633</td>
</tr>
</tbody>
</table>
Analysis shows the conformity of the initial model and acquired model (Civelek, 2018). A CMIN/DF ratio is under the threshold level of 3 (Bagozzi & Yi, 1990). Furthermore, other fit indices exceeded their recommended thresholds. Confirmatory Factor Analysis Results are shown in Table 2 and standardized factor loads of each item are larger than 0.5 and significant. Average variance extracted values were also calculated. Results are close to or beyond the threshold level (i.e. 0.5) (Byrne, 2010). These values show the convergent validity of the scales. To assess discriminant validity, the square roots of AVE values of each variable were calculated. In Table 3, the diagonals demonstrate the square root of AVE values.

### Table 3. Construct Descriptives, Correlation and Reliability

<table>
<thead>
<tr>
<th>Variables</th>
<th>Ps03</th>
<th>1</th>
<th>Ps02</th>
<th>0.878</th>
<th>1.033</th>
<th>0.823</th>
<th>21.472</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Selection</td>
<td>Ps01</td>
<td>0.813</td>
<td>Ps04</td>
<td>0.647</td>
<td>0.647</td>
<td>0.571</td>
<td>14.194</td>
</tr>
<tr>
<td>Shopping Convenience</td>
<td>Scv01</td>
<td>0.693</td>
<td>1</td>
<td>Scv02</td>
<td>0.866</td>
<td>0.945</td>
<td>0.781</td>
</tr>
<tr>
<td>Retailer Brand Loyalty</td>
<td>Scv03</td>
<td>0.700</td>
<td>1.027</td>
<td>Scv04</td>
<td>0.700</td>
<td>0.617</td>
<td>12.782</td>
</tr>
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<td>0.617</td>
<td>12.782</td>
</tr>
</tbody>
</table>

*p < 0.01 for all items

<table>
<thead>
<tr>
<th>Variables</th>
<th>Ps03</th>
<th>1</th>
<th>Ps02</th>
<th>0.878</th>
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<td>0.700</td>
<td>0.617</td>
<td>12.782</td>
</tr>
</tbody>
</table>

Reliability of each construct was individually calculated. Composite reliability and Cronbach α values are close to or beyond the threshold level (i.e. 0.7) (Fornell & Larcker, 1981). Descriptive statistics of the constructs, composite reliabilities, average variance extracted values, Cronbach α values and Pearson correlation coefficients are shown in Table 3.

### Test of Hypotheses

Structural model has been analyzed by using AMOS 23. Maximum likelihood estimation methods and the covariance matrix of the items were used to test the hypotheses. In order to evaluate the structural model, the goodness of fit indices were used. The absolute goodness of fit indices are the root mean square error of approximation (RMSEA) and the χ2 goodness of fit statistic. The relative goodness of fit indices are the comparative fit index (CFI) and the incremental fit index (IFI). As shown in Figure 2, structural model fit indices adequately indicate model fit. χ2/DF value is 2.282 and within threshold levels (i.e. between 2 and 5). CFI is 0.969, IFI is 0.970. RMSEA is 0.056. These values are satisfactory. As shown in Table 4, all hypotheses have been accepted. These results of the hypotheses indicate a positive and significant relationship between perceived benefit and retailer awareness.

The mediator role of retailer brand awareness on the relationship between perceived benefit and perceived quality was found statistically significant...
The Effect of Perceived Benefit on Consumer Based Brand Equity in Online Shopping Context

according to Baron and Kenny method (Baron & Kenny, 1986). As shown Table 4, relationship between perceived benefit and perceived quality turn into insignificant after including retailer brand awareness. This is a strong proof of mediator effect. Furthermore, positive relationship between retailer brand awareness and retailer brand association, between perceived quality and retailer brand association, between, retailer brand association and retailer brand loyalty were found to be statistically significant.

![Figure 2: Results of SEM Analysis](image)

**Table 4: Hypotheses test results**

<table>
<thead>
<tr>
<th>Relationships</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Benefit → Retailer Brand Awareness</td>
<td>0.415*</td>
<td>0.434*</td>
<td></td>
</tr>
<tr>
<td>Perceived Benefit → Perceived Quality</td>
<td>0.228*</td>
<td>-0.036</td>
<td></td>
</tr>
<tr>
<td>Retailer Brand Awareness → Perceived Quality</td>
<td></td>
<td></td>
<td>0.604*</td>
</tr>
<tr>
<td>Retailer Brand Awareness → Retailer Brand Association</td>
<td></td>
<td></td>
<td>0.607*</td>
</tr>
<tr>
<td>Perceived Quality → Retailer Brand Association</td>
<td></td>
<td>0.420*</td>
<td></td>
</tr>
<tr>
<td>Retailer Brand Association → Retailer Brand Loyalty</td>
<td></td>
<td>0.643*</td>
<td></td>
</tr>
</tbody>
</table>

**Model fit indices**

<table>
<thead>
<tr>
<th></th>
<th>χ2/df=1.340</th>
<th>χ2/df=0.730</th>
<th>χ2/df=2.282</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFI</td>
<td>0.997</td>
<td>1.000</td>
<td>0.969</td>
</tr>
<tr>
<td>IFI</td>
<td>0.998</td>
<td>1.002</td>
<td>0.970</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.029</td>
<td>0.00</td>
<td>0.056</td>
</tr>
</tbody>
</table>

**Note:** Path coefficients are standardized

*p < 0.01

**Discussion**

**Findings and Managerial Implications**

The main objective of this study is to explore the relationship between Perceived Benefit and two dimensions of Consumer based brand equity, namely Retailer Brand Awareness and Perceived Quality, the relationship between the sub-dimensions of consumer based brand equity and finally propose and test a structural model of these relationships between Perceived Benefit, consumer based brand equity and its sub-dimensions.
One of the important results of this study is the confirmation of the positive effect of Perceived Benefit on Perceived Quality. Although existing literature includes several studies confirming the effect of extrinsic cues such as brand name, advertising, price and similar non-product cues on perceived quality (Völknner and Hofmann, 2007; Acebron and Dopico, 2000; Richardson et al. 1994), this study sheds light to an unexplored effect of extrinsic cues on Perceived Quality by confirming the positive effect of Perceived Benefit. A second important result of the study is the confirmation of the positive effect of Perceived Benefit on Retailer Brand Awareness. This is an important finding of this study in a manner that while there is a significant direct relationship between Perceived Benefit and Perceived Quality, this direct relationship becomes insignificant in case of inclusion of Retailer Brand Awareness into this relationship model as a mediating factor. Parallel to the current literature, this confirms the role of Retail Brand Awareness in the formation of Perceived Quality by including Perceived Benefit into the model as an independent external variable.

Another finding of this study is that there is a positive and sequential relationship between the sub-dimensions of consumer based brand equity. Parallel to the existing literature, the results confirm that Retailer Brand Awareness has a positive effect on both Retailer Brand Associations and Perceived Quality (Dib and Alhaddad, 2014; Kan, 2002; Lo 2002; Wall et al. 1991; Dodds and Grewal, 1991), Perceived Quality is found to be affective on the Retailer Brand Associations and finally Retailer Brand Associations has a positive effect on Retailer Brand Loyalty (Tokmak and Aksoy, 2016; Azadi et al. 2015; Al-Abdallah, 2013; Eryiğit, 2013; Sadeghi and Rad, 2012). The results show that consumer based brand equity is formed via the sequential relationship of sub-dimensions and the process starts with the basic awareness level about the brand and progressing towards the formation of Brand Associations as well as the perception of quality and consequently resulting to support the level of loyalty through Brand Associations. Thus, Brand Awareness is found to be the antecedent of both Brand Associations and Perceived Quality, Brand Associations are supported by the Perceived Quality and Brand Loyalty level is the consequence of the strength of Brand Associations.

The results of this study provide two important implications for the professionals in online retail market who target to increase the market performance of their brands. First, the results confirm that Perceived Benefit, one of the gatekeepers like Perceived Risk which affects the online purchase intentions of consumers, is an important booster for creating an awareness for the online brand. By creating an increased involvement into the online environment and attention to the marketing stimuli, positive Perceived Benefit helps online brands to increase their brand awareness. This leads us to conclude that managers need to maximize their efforts to boost the Perceived Benefit of their target consumers towards the online shopping by including the related benefit messages in their marketing communication programs. Higher Perceived Benefit will lead brands to be recognized and create brand awareness which will pave the way for the formation of consumer based brand equity. Secondly, the results underline the importance of focusing very carefully on every step of the sequential process starting from the formation of positive Perceived Benefit and ending with the creation of a strong consumer based brand equity supported with the high level of Brand Loyalty which will facilitate brand extensions, introduction of new products by reducing the risk perceived (Corkindale and Blender, 2009) and mitigating negative bias or spillover effect risks directed towards the brand in case of negative events (Tipton et al., 2009). In the light of these two implications, managers need to define the sequential structure of Perceived Benefit and consumer based brand equity relationship as a journey of consumers with the brand and implement effective strategical and tactical moves to increase market performance for the brand in the online context.

Limitations and Suggestions for Future Research

In order to pave the way for further research, it is important for the authors to mention two limitations of this study. First, as the current study explores the relationship between perceived benefit and consumer based brand equity, further studies may extend the research model by including also risk perception, another gatekeeper factor affecting intention to shop online of consumers, to enhance the understanding of the whole process starting from the formation of consumer intention to shop online and leading to the formation of consumer based brand equity in the online context. Second, further studies may consider including cultural, generational and cross-country differences in order to reach at more generalizable results.
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