

# Effect of Branded Shoes Price on Perceived Quality

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**Abstract**—Price is one of the external clues for consumers' perception to products, studies have revealed that the impact of different categories of product prices on the perceived quality is different. In order to explore the influence of price signals on the perceived quality of brand shoes, six brand shoes were selected as stimuli in this study, and cognitive behavioral test was adopted to allow consumers to perceive the quality of branded shoes marked in high prices and low prices respectively. The results demonstrate that the price of brand shoes has a significant impact on the perceived quality, the perceived quality of high-priced brand shoes is higher than that of low-priced brand shoes; brand positioning has a significant influence on consumer perception.

**Keywords**—Price; brand; perceived quality; cognitive behavior

## INTRODUCTION

Perceived quality is a subjective evaluation on the quality of the product obtained by the consumer through the acquired product-related information (Wang,2008). It is the subjective judgment based on the external clue of the product rather than the objective attribute of the product (Zeithaml,1988). In the market, many brand companies adopt pricing strategies to affect consumer perception on the quality of their products, to enhance the commercial value of the product. Price, which is considered to be the basis for judging the quality of products, has been confirmed in some studies (Leavitt, 1954; Wang et al,2007; Jacoby et al,1971; Dodds et al,1985), when consumers lack internal product quality cues, as an external attribute, price becomes an important factor to affect consumer's product quality judgment (Gerstner,1985; Johnson et al,1988). The reason why consumers perceive the quality of products relying on external clues is that the potential quality information conveyed by external clues constitutes their cognitive basis for product quality (Li,2008).

A large number of studies have shown that there is a positive correlation between price and quality (Dodds et al,1991; Erickson et al,1985; Rao et al,1989; Hu,2016), the higher the price, the better the product quality perceived by consumers. This conclusion comes from a kind of psychological cognition of consumers, that is, high quality products usually require higher production costs than low-quality products (Wang,2011). However, some studies have drawn different conclusions, Gabor survey found that for some cheap or non-durable goods, the price may well be the signal of good quality within the set minimum and maximum price

limits, but when prices are above or below this range, product quality will often be considered unreliable (Gabor,1964). Peterson et al. studied the influence of beverage brand, the country of origin and the price on the perceived quality of the product, and found that the effect of brand was more significant, while the effect of price was far less obvious than imagined. Under the influence of two factors, source country and brand, there is a negative correlation between price and perceived quality (Peterson et al,1976). In addition, Parguel et al. conducted research on the price of luxury watches with or without price tagged. The results show that the price signal had no significant impact on the perceived quality of the brand, but had a noteworthy influence on the brand uniqueness (Parguel et al ,2016). In recent years, empirical studies have revealed that the influence of price on perceived quality is declining due to the existence of other factors, such as product category (Ye,2015; Batra et al 2000), the country of origin (Yao,2015; Zhou,2016; Liu,2017), brand (Chen,2018), consumer characteristics. However, a price marked on a moderate range is still an important indicator for consumer to perceive quality of products (Cohen,1988). In this paper, the brand shoes with different popularity and different prices are taken as research objects to explore the influence of brand shoes price on the perceived quality of their products.

## 1 EXPERIMENT

### 1.1 Participants

39 students from Soochow University (age between 18-23, including 5 males and 34 females). The subjects were all right-handed, with no color blindness, weak color, normal vision or rectified vision, and volunteered to participate in the experiment.

### 1.2 Stimulus materials

In this experiment, 11 high-end shoe brands and 12 low-end shoe brands were selected. Using the questionnaire to survey brand familiarity and brand popularity, through analysis, three high-end brands (Nike, Adidas, New Balance), and three low-end brands (Xtep, Anta, Warrior) were selected. Each brand selected five different styles of product images, each of which is processed by Photoshop software to display two kinds of pictures with low price and high price respectively as stimulus materials, and the image size is 100mm×140mm.

### 1.3 Experimental equipment

This experiment was programmed using E-Prime 2.0 software and run on a computer.

### 1.4 Experimental procedure

A total of 60 stimuli throughout the experiment lasted approximately 6 minutes. Before the formal experiment, 8 stimuli were used for practice. During the experiment, the stimulus was randomly presented in the center of the computer screen through the use of E-Prime software. The distance between the experimental subject and the screen presenting the stimulus was about 70cm, each stimulus presentation shown in Figure 1

## 2 RESULTS AND ANALYSIS

### 2.1 Evaluation of perceived quality

Analysing the perceived quality scores of the products given by participants when the shoes marked high prices and low prices. The results are shown in Figure 2. The quality score

of branded shoes marked with high prices is significantly higher than that of branded shoes with low prices, which is more pronounced in high-end brands. Regardless of the high price or low price, the quality score of high-end brand shoes is always higher than the quality score of low-end brand shoes, indicating that brand positioning will also affect on the perceived quality of products.

To test whether the variables have a significant impact on the perceived quality of the brand shoes, we performed a repetitive measurement analysis of variance. The results are shown in Table 1. The effect of the price factor is significant ( $F=6.878$ ,  $p=0.012$ ), suggesting that the price has a significant impact on the quality evaluation of the shoes; the main effect of the brand positioning factor is also significant ( $F=41.866$ ,  $p=0.000$ ), indicating that the brand positioning affects the perceived quality of the shoes; price and brand positioning interaction effect is marginal significant ( $F=4.049$ ,  $p=0.051$ ), compared with low-end brand shoes, high-end brand shoes marked higher price have higher perceived quality.

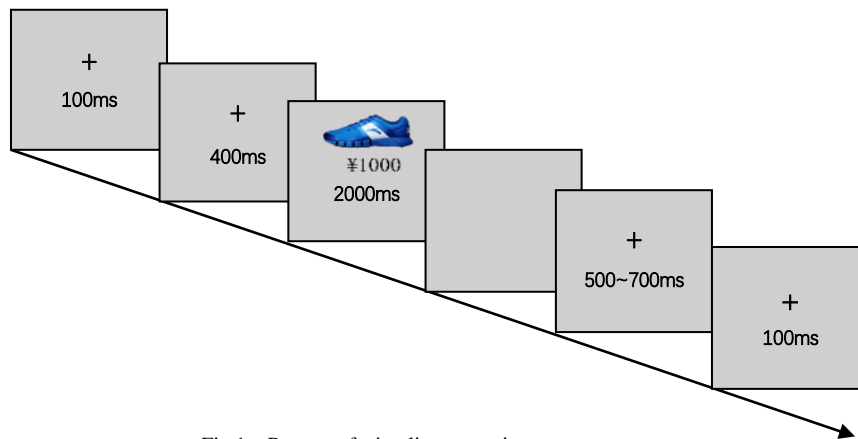


Fig.1 Process of stimuli presentation

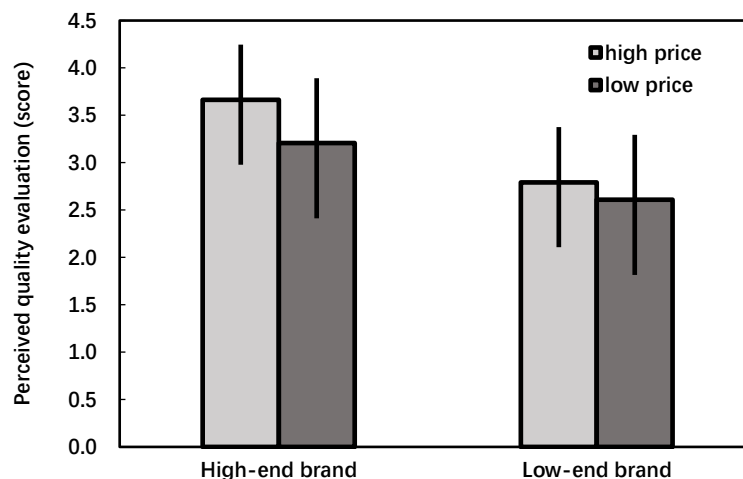


Fig.2 Evaluation of perceived quality on brand

Tab.1 Variance analysis table for quality perception evaluation on brand shoes

Source	Type III sum of squares	Mean square	df	Sig.	Partial Eta squared
Price	3.978	3.978	6.878	0.012*	0.153
Brand Positioning	21.006	21.006	41.866	0.000**	0.524
Price × Brand Positioning	0.726	0.726	4.049	0.051	0.096

Note: \* indicates a significant correlation at the 0.05 level; \*\* indicates a significant correlation at the 0.01 level.

## 2.2 Response time of quality perception

Figure 3 is the reaction time for consumer perceived quality. As can be seen from the figure, the time for evaluating branded shoes with high prices is higher than the time for evaluating branded shoes with low prices, and the gap between the low-end brand shoes is more obvious. Repeated measures analysis of variance analysis showed that the price had a significant effect on reaction time ( $F=11.803$ ,  $p=0.001$ ), suggesting that there were significant differences in perceived

quality judgment time under different price labels, while the reaction time of brand positioning had no significant main effect. The interaction effect of reaction time between price and brand positioning is not significant, as shown in Table 2.

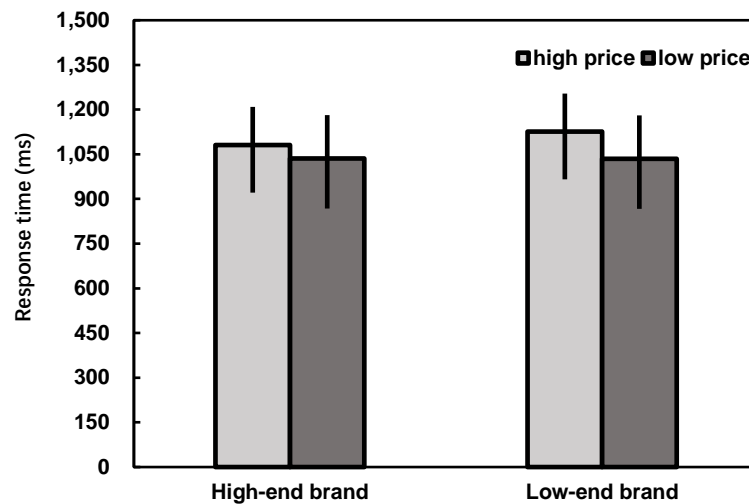


Fig.3 Response time

Tab.2 Variance analysis table for response time of quality perception on brand shoes

Source	Type III sum of squares	Mean square	df	Sig.	Partial Eta squared
Price	181007.557	181007.557	11.803	0.001**	0.237
Brand Positioning	18534.360	18534.360	2.057	0.160	0.051
Price × Brand Positioning	20395.542	20395.542	3.385	0.074	0.082

Note: \* indicates a significant correlation at the 0.05 level; \*\* indicates a significant correlation at the 0.01 level

## 3 CONCLUSION

In the present research, we transferred the research perspective from a broad product to a specific brand shoes, exploring the impact of branded shoes price and brand positioning on consumer perceived quality. Through the analysis of behavioral experimental data, it is found that price has a significant influence in the judgment-making process of perception quality. This shows that the subject is susceptible to

be influenced by the price clues in the quality perception evaluation, because the consumer can use price cues to generate quality association, the higher the price marked, the better the perceived quality of the shoes; in addition, the brand positioning has a moderating effect on the perceived quality. Under the same brand positioning, the price of brand shoes is significantly positively correlated with the perceived quality. but when the brand positioning is different, the price marked

on the brand shoes is the same, compared with the lower-end brand, the perceived quality of the high-end product is significantly higher than that at the same price.

Results of this exploratory study should help the brand shoe company to better understand the consumer's product perceptions and provide theoretical support for the firms to develop relevant marketing strategies.

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