

Brand value or discounts - The consumer purchase intent under the moderating influence of perception of political-economic crisis

Valor da marca ou descontos - A intenção de compra do consumidor sob a influência moderadora da percepção de crise político-econômica

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ABSTRACT

The political and economic environments affect the lives of people and organizations in an intense way. Economic policies interfere with companies' ability to buy and invest. In the same way, for both, the political context has also direct implications. On the other hand, the marketing strategies of organizations, particularly brands, can act decisively. The value of the brand in consumer perception, or brand equity, represents the good evaluation of the consumer about the company and its products, and at the same time is a way for companies to resist negative market pressures, such as competition, lower prices or crises in general. In this way, a survey was used to collect the data that were analyzed by means of structural equation modeling. This study evaluated the relationship between the consumer's intention to buy under the influence of brand equity or the search for lower prices when these relations are moderated by the perception they have of the political and economic crisis. The results showed that the strength of the brand is significantly reduced by the perception of crisis, but the search for discounts not, in this context. For researchers, this study contributes to evidence a scenario in which brand equity is mitigated by forces beyond the control of organizations. For managers this study sheds light on concerns organizations must have about their brand strategies in times of crisis. The impacts of a political-economic crisis are likely to diminish the result of an organization's efforts to build a strong brand.

KEYWORDS: Political and Economical crisis; Brand equity; Consumers.

RESUMO

O ambiente político e econômico afeta a vida das pessoas e das organizações de maneira intensa. As políticas econômicas interferem na capacidade de compra de consumidores e de investimento das empresas. Da mesma forma, para ambos, o contexto político tem implicações diretas. Por outro lado, as estratégias de marketing das organizações, particularmente a gestão de marcas, podem atuar de maneira decisiva. O valor da marca na percepção do consumidor ou *brand equity*, representa a boa avaliação do consumidor sobre a empresa e seus produtos e, ao mesmo tempo, é uma forma das empresas resistirem às pressões negativas do mercado, como concorrência, preços mais baixos ou crises em geral. Desta forma, recorreu-se a um *survey* para a coleta dos dados que foram analisados por meio de modelagem de equações estruturais. Este estudo avaliou a relação entre a intenção de compra do consumidor, sob a influência da força da marca ou a busca de preços menores, quando estas relações são moderadas pela percepção que possuem sobre a crise política e econômica. Os resultados mostraram que a força da marca é reduzida significativamente pela percepção de crise, mas a busca por descontos não. Para pesquisadores, este estudo contribuiu ao evidenciar um cenário no qual o *brand equity* é mitigado por forças além do controle das organizações; para gestores, lança luz sobre as preocupações que as organizações devem ter quanto a suas estratégias de marca em tempos de crise. Os impactos de uma crise político-econômica são capazes de diminuir o resultado dos esforços de uma organização na construção de uma marca forte.

PALAVRAS-CHAVE: Crise político-econômica; Valor da marca; Consumidor.

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1 INTRODUCTION

Brazil has undergone several political, economic and social transformations in recent decades. Since the re-democratization in the late 1980s, the changes have deepened, reaching different areas of daily life of people and organizations. Freedom of expression became broad, the Brazilian economy was open, and new offers of products and services became possible. The exit of the military regime of power was overcome, and the young republic came to have new challenges, for example, the overcoming of old ills, previously covered up by the years of darkness of the dictatorship. Inflation control ushered in concerns in the early years of democratically elected governments. Social gains entered on the agenda. In the political environment, scandals ensued and corruption emerged to the top of the agenda concerns of society. Even following a reasonable inflation control, the Brazilian agenda has been dominated by political and economic dysfunctions such as economic crisis, worldwide or domestic, and corruption scandals (Bresser-Pereira, 2006). In politics, perhaps the biggest breakdown is corruption. The countries' concern about the damaging effects of crisis is somewhat old (Leff, 1964).

In this scenario, organizations and consumers are greatly affected from the point of view of the economy. Political crisis (Jiménez, 2010) and their sinister effects, such as corruption, affect economic and social development (Mauro, 1995), or by the restriction on the possibility of expenses, investments and restrictions on spending as well as the threat of unemployment on the part of consumers, just to name a few effects. In the psychological sphere, companies managers know well how the financial market is driven by emotions and expectations. A greater or lesser economic activity is often triggered by rumors and sentiments of the main players in the economic scenario. Consumers are also psychologically affected as their life dreams, self-esteem, and personal accomplishments are restricted at such times. Not to mention the effects on both of them of the society revolt due to the endemic corruption that devastates the country.

In this turbulent environment, much stands out that there are opportunities for organizations. Among the strategies of the organizations to approach the market, the use of brands is among the main marketing actions. Strong brands produce positive consumer responses to organizations' marketing strategies. The value of a brand in terms of meaning in consumer perception allows this brand to resist competing offers (even at lower prices), negative information propagated about it and even leads consumers to pay more to own it (Keller, 2006).

Taken together, these aspects lead to reflection on the role of brands in times of crisis. It is questioned whether they would be able to mitigate the effects of political-economic turbulence on consumer responses. It is to be expected that, faced with the threats to their way of life on these occasions, consumers will adopt a behavior of prevention and more care with their consumption actions. On the other hand, strong brands may be able to preserve their value even in an economically unfavorable environment.

In this context, economic impacts are strongly observed in news and macroeconomic terms (Freitas, 2009). However, there are no studies that address market impacts from the consumer perspective. Therefore, two paths seem to oppose when the consumer finds himself in the midst of economic and political upheavals: one in which he seeks to save money and wait for the storm to pass; another that suggests that its relationship with brands is preserved, given the strength that valued brands hold from the consumer's perspective, even at a time of crisis.

To address this gap, this study poses the following research question: what are the market impacts in terms of consumer's purchase intent for brand value or the propensity to discount when moderated by their perceived political-economic crisis?

This study aims at observing relevant elements of an adverse scenario, the political-economic crises and their possible influences on the consumer, besides observing the brands as an important marketing strategy in unfavorable moments economically, with latent political insecurity.

2 THEORETICAL REVIEW

2.1 Political and economic environment and the consumer

Brazil has opted for a market economy based on capitalism, where market players, such as organizations, operating companies and their competitors, consumers, and government as a regulator of standards, act together in the economy. At the same time, government mechanisms must create the conditions so that both the economy and the social gains can develop in a healthy way, and the results for society can be achieved in a satisfactory way (Bresser-Pereira, 2006).

The economic and political environment means that the conditions for development can occur in a sustainable way. The quality of political institutions and, at the same time, macroeconomic indicators, signal to both domestic and international investors whether the environment provides economic, legal and institutional security for investment (Daude & Stein, 2007). A number of countries, taking into account corruption indicators as a personal assessment of levels of corruption, show that corruption reduces economic growth and negatively affects social development (Pecorino, 1992), with corruption being a major impediment for economic and social growth (Mauro, 1995) and, consequently, the accumulation of human capital is hampered by lower growth rates (Ertimi & Saeh, 2013). It can not be forgotten that a corrupt country has a negative impact on the global market, and loses its capacity to attract foreign investment (Ferreira, Carreira, Li, & Serra, 2016).

In Brazil, oblivious to the details and minutiae of the economy and political backstage, consumers in general perceive the effects on their daily lives, and become reticent in their consumption decisions (SCPC, 2016). At the same time, there are credit restrictions, greater rigidity in the analysis for financing, as well as reducing effects of economic activity, such as unemployment, retraction in opportunities and aversion to risk that the organizations themselves demonstrate, as a result of economic entities (Freitas, 2009).

On the other hand, organizations adopt strategies to approach the market, even in times of crisis. Among the most promising strategies, brand management enable organizations to better position themselves to meet market challenges (Keller, 2006).

2.2 Brand Equity, the brand value

For a long time brands were just a form of visual identity and differentiation between products / services. Hoeffeler and Keller (2003) point out that brands are, in particular, product extensions, which include name, packaging, service, guarantees or quality and which form the basis of product differentiation towards competitive advantage. With the study of Brand Equity, most known as the value of a brand, new concepts and visions come to light in the face of the impact that brands make.

According to Keller (2006), brand equity is a set of assets (and obligations) inherent in a trademark and a symbol, which is added to (or subtracted from) the value provided by a product or service for the benefit of the company, or its customers. If consumers are convinced that there really is a difference between brands by comparing a particular product or service, brand equity will be created. Keller (2006) establishes that brand equity is operationalized through Branding, or the set of marketing actions that build brand value. To measure the value of a brand, the author describes four factors, which are: brand name awareness, brand loyalty, perceived quality, and brand related associations. These elements result from consumers' thinking about the product / service.

Given this scenario, organizations have noticed the importance of branding, as the process of brand management, seeking to build and strengthen brands through positive associations and differentiation vis-à-vis competitors to obtain favorable responses from consumers.

Keller (1993) states that branding is the set of actions that involve the brand to obtain favorable responses to the organization. It should involve several sectors of a company / institution, from production, marketing, communication, design and even the financial sector. The concept of branding was born in financial institutions, based on a need to measure brand values that modified values of a company's actions. That way, just raising awareness in the minds of consumers is not enough to create

a positive attitude towards your brand equity. It is necessary for the consumer to identify and recognize the brand in front of associations favorable to its image.

However, the importance and benefits of a brand equity analysis and management are notorious, organizations should direct their efforts to understand this process in order to strengthen their brand through the satisfaction and loyalty of their consumers.

2.3 Perceived value, price and quality

In an environment of economic and political crisis, it is natural for consumers to seek to save money, and to make their decisions more immediately as they arise (Bettman, Luce, & Payne, 2006). The reduction of costs is an objective that must change the relations of consumption between companies and consumers. A similar view has been found in a study by Reyneke, Sorokáčová and Pitt (2012) in which they stated that in times of crisis, consumers tend to reduce expenditure. The authors emphasize that such spending control is widespread. The decline in spending, although not linear, affects both categorized and luxury products, known as essential.

Specifically, the perception of value that the consumer has is greatly affected by the moments of crisis. Perception of value, price, and perceived quality change, as external factors to consumer control affect their evaluation in their regular choices. In summary, consumers adapt to marketing mix (product, promotion, market, and prices), which are poorly related to advertising and tend to consider product attributes and price in their purchasing decision (Ang, 2000).

These concepts are difficult to define, as they have an elementary charge of subjective perception. Ang (2000) also explains that in moments of crisis, intrinsic aspects of the consumer, such as insecurity and risk aversion, perception of value and quality are significantly affected.

Quality can be broadly defined as some degree of superiority, although it is also something perceived. Unlike quality in an objective way (some technical aspect in a product attribute), perceived quality in a subjective way depends on a consumer assessment that takes into account aspects of higher order, beyond what is objectively observed (Zeithaml, 1988). That is, quality is a perceived superiority. The perception of quality materializes as a subjective evaluation that the consumer makes in relation to the product (Erenkol & Duygun, 2010). The perceived quality was related by Aaker (1996) as one of the main components of value of the brand, being perceived quality an essential element in the verification of the brand equity.

The value of a product can be a dimension subject to the subjective assessment of the consumer. Otherwise, value is a perception that is established for the relationship between the utility of the product and the benefits received, that is, the image of the superior brand leads the consumers to associate the product related to it as a product of better quality and superior value (Richardson, Dick, & Jain, 1994). Perceived value is always closely related to price. Price is defined as something that is given to organizations in exchange for what is received from it. In a broad sense, price may be better understood as a sacrifice offered by the consumer for something it receives (Zeithaml, 1988). From this perspective, price seems to be strictly linked to the perception of quality, then it represents the concept of value for money (Monroe, 2002).

Therefore, the client's propensity to pay for a good is derived from perceived value (Nagle & Hogan, 2007). This relationship is often presented as the dimension that explains perceived value as what the client considers equitable, adequate and fair in accordance with the costs of the good offered (Khalifa, 2004; Zeithaml, 1988).

Price has an observable monetary dimension, but price is also and to a large extent, something that is perceived and associated with some degree of value attributed to the object, in a hedonic perspective (Dhar & Wertenbroch, 2000), more resistant to appeals purely transactional.

The relation between price and perceived quality is controversial, since other aspects may signal a minor importance of the price in the choices and judgments of the consumers (Zeithaml, 1988). The brand, the store image, the relationship with the sales team, among other aspects, can signal quality, rather than price, can signal more value.

2.5 Theoretical model and hypothesis development

Based on the theoretical review, it was observed that consumers can choose between two paths in their consumption choices: one is based on brand value, as it signals the consumer a broad set of meanings (Keller, 2006), as to the extent of their self-identity, from a brand perspective (Fournier, 2009):

H1: The value of the brand will have a positive and significant relationship with the intention to buy.

Another way can be established in the search for more immediate monetary gains. In this scenario, consumer relations are based on a functional exchange, in which financial gain motivates more consumer choices. The perception of value, quality and price is reduced to a quest for monetary gain in the transaction (Zeithaml, 1988; Lichtenstein, Ridgway, & Netemeyer, 1993):

H2: The discount proneness of consumers will have a positive and significant relationship with the intention to buy.

Otherwise, consumers may value brands or discounts in their buying relationships. This study proposes that, in an environment of economic and political crisis, the consumer's market responses will be different. The crisis affects consumer relations in such a way that even the value of the brand loses influence on the consumer:

H3: The perception of political-economic crisis will moderate the relationship between general brand equity and purchase intention, reducing the strength of this relationship.

On the other hand, when the consumer already opts for a path of reduction of spending in their relations of consumption, he is already mentally affected by a utilitarian motivation in their consumer relations and in this case, the crisis may not have effect:

H4: The perception of political-economic crisis will moderate the relation between propensity to discount and intention to buy, reducing the strength of this relationship.

These hypotheses can be observed in the conceptual model presented in Figure 1.

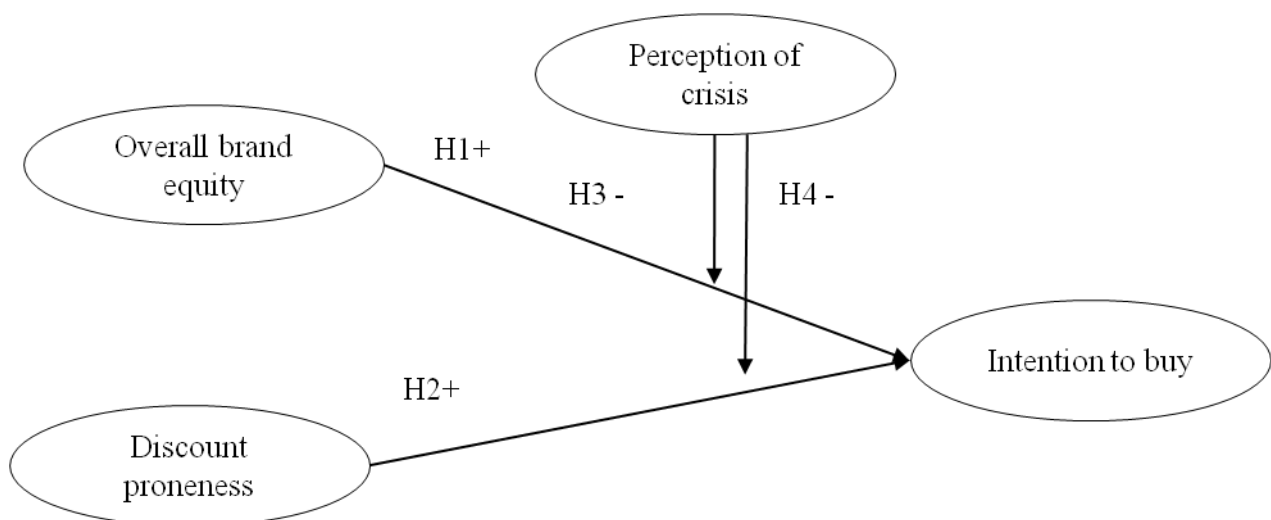


Figure 1– Conceptual model proposed
Source: The authors.

In summary, this study looks at consumer relations in two different ways. Consumer assessments and judgments, as well as market responses are subject to factors beyond the control of organizations and consumers themselves. Buying intent is a relevant marketing response as intentions become the antecedent of behavior (Bagozzi, 1981).

3 METHOD AND RESEARCH PROCEDURES

This study aimed to analyze the relationship between the value of the brand, and the propensity to discount, as consumer perceptions and market responses under the influence of an economic political crisis environment may change. In this scenario, a theoretical model was tested that involves the evaluation of the brand's general value and propensity to discount, and its relations with the intention to buy, when moderated by the perception of economic and political crisis.

3.1 Sample

The main characteristic of the sample of this study was to evaluate a group of students, in financial terms, from a large private institution in the city of São Paulo. This sample profile is justified because they are of economically active age, and in the moment of choice of brands that may represent their identity and preferences in decision making. At the same time, this group of people feels the effects of the economic and political crisis in their day to day life, either in the lack of work opportunities or in the pressure that the crisis exerts on their priorities of consumption choices and way of life in general.

3.2 Measurement scales

The measurement of brand equity has several approaches. For Keller (2006) it is established that brand equity is implemented through branding, or marketing actions that build brand value and sustain it over time through three main perspectives: the psychology-based approach, the approach based on economics and sociology-based approach and biology. The same author still proposes to observe the value of the brand from the perspective of the consumer (Keller, 1993).

For Aaker and Joachimsthaler (2007) are also the marketing actions that precede the construction of a strong brand, using memory-based processes. The operationalization would be through the measurement of the brand awareness or the people's remembrance of the brand, the perceived quality or the positive evaluations of the consumer about the brand, the brand associations or the attributes that the consumer associates with the brand, and the brand loyalty or the repetition of the brand purchase by the consumer.

Kucuk (2010), however, criticizes these brand value lines as a function of marketing strategies and maintains that the brand value is due to its greater exposure. Yoo and Donthu (2001) also argue that measurement should be established in the view of the consumer. Therefore, a series of approaches are established that observe the value of the brand through an economic understanding and another line that observes the perspective in the view of the consumer.

In this study we adopted the measurement from the consumer perspective, with items developed by Washburn and Plank (2002), called general brand equity. There are examples of items: "It makes sense to buy my favorite brand than another brand, even if they are similar" and "Even if another brand has the same characteristics as my preferred brand, I still prefer it." This choice is justified by the very purpose of the study, to analyze the effects of perceived crisis on the methodological responses of consumers, and not to evaluate the dimensions of brand value in a crisis scenario.

The discount proneness was measured by items from the Lichtenstein, Ridgway, and Netemeyer (1993) study that analyzed, in a broader perspective, value consciousness and discount propensity as two distinct and opposing constructs when the consumer evaluates their decisions based on the theory of utility in acquisitions. This approach represents, therefore, a more focused vision in more conscious

processes of evaluation and judgment, taking the relations of purchase as more transactional experiences that the consumers possess.

For measuring the perception of crisis and the intention to buy Lichtenstein et al. (1993) used their own measurement. This process was in part as described by De Vellis (2003), who proposes that, in the absence of a theory that can be used, the researcher should develop ways of measuring what he wants. Initially, items were generated in interviews with students to identify how they perceive this phenomenon in their daily lives. These items were pre-tested with a sample of 30 different students. The Cronbach's Alpha was used as a measure of reliability of the instrument, after the removal of items until the best indication was reached. All items used in this study can be seen in Appendix A.

3.3 Field procedures

Respondents were approached in the classroom by HEI (Higher Education Institution) teachers and invited to participate in the study. The questionnaire was made available through an internet link for data collection. The scientific purpose of the study, the procedures for completing the information and the possibility of returning to the interested parties were explained. The respondents were thanked for their participation and during three months the data were collected during the period between May and July 2016, when the news on the economic and political crisis did not yet show a conclusion of the scenario that could affect the somehow, but it was intense.

3.4 Criteria for analyzing the data

This study is descriptive, quantitative in nature (Kerlinger, 1980). It used as a research technique, the Modeling of Structural Equations (MEE), which allows to observe the relations between the variables at the same time. The option to use Partial Least Square (PLS) based on correlation matrix was due to the possibility of not occurring the normality of the data more suitable for the prediction of phenomena (Hair, Hult, Ringle, & Sastedt, 2014). For the analysis we used the software SmartPLS2.0M3 (Ringle, Wende, & Will, 2010).

For initial acceptance of the tested model, the validity and reliability of the indicators were evaluated. Internal reliability and consistency were measured using Cronbach's Alpha and composite reliability indicators (the internal consistency of the model was observed using Cronbach's Alpha indicators, values between 0.6 and 0.7, and Composite Reliability, values between 0.7 and 0.9). After this evaluation we tried to analyze the convergent and discriminant validity of the model as a whole.

The convergent validity analyzes the degree to which a specific measure positively correlates with other measures of measurement of the same construct, and the factorial load of each item is observed as above 0.708. The discriminant validity corresponds to the extent to which the constructs analyzed are different. The discriminant validity was analyzed using the Fornel-Lacker criterion that measures the square root of the AVE of the construct superior to any correlation of this with the other constructs of the model, and also through the correlation of the items as being bigger in its dimensions than its correlations with other constructs (crossloadings) (Hair et al., 2014).

The general explanation of the model was observed by means of the coefficient of determination (R^2), and fit quality calculations such as GoF (Goodness of Fit, obtained by means of the geometric mean between the mean R^2 and the mean social sciences applied when above 0.36), and the accuracy and predictive validity of the variables as described by Hair et al. (2014) (Stone-Geisser indicators for predictive validity, Q^2 , and Cohen's indicator, f^2 , which observe the size of the construct effect in the model.) Q^2 must be greater than zero, and f^2 has as parameters 0.02, 0.15 and 0.35 for low, medium and high effects indicators, respectively).

In order to test the hypotheses, after the validation of the structural model, the significance of the relationships between the variables, with the bootstrapping or resampling technique, was evaluated using Student's t test with acceptance criteria at 5% ($t \geq 1.96$, $p \leq 0.05$) (Hair et al., 2014).

4 RESULTS

4.1 Sample profile

A total of 296 valid questionnaires were obtained, since 5 questionnaires were discarded because they had missing data or incorrect answers. Of this total, 62.5% were women (n = 185), 34.5% men (n = 102) and 3% did not report (n = 9). The sample is predominantly single (72.3%, n = 214) with a mean age of 25.52 years (SD = 7.34). Family income is not high (79.73% up to R\$ 4,700, approximately US\$ 1.425). The vast majority are employed (73.99%, n = 219). The most cited brands were Nike (n = 58, 19.59%) and Samsung (n = 23, 7.7%). The number of respondents met the criteria of study validity (Mattar, 2001), even to indicate a quantity above that recommended by Hair et al. (2014, p.20-21) for studies with structural equations modeling using partial least squares.

4.2 Structural equation modeling - Validation of the model

The convergent validity analysis proved to be adequate after three initial validation rounds, with the withdrawal of items with a factorial load below 0.7. The internal consistency was also adequate with Cronbach's Alpha and Reliability within the stipulated parameters. These results are seen in Table 1.

Table 1– Convergent validity and internal consistency

Variable	AVE	Composite reliability	R ²	Cronbach Alpha
General Brand equity	0,640	0,841		0,716
Intention to buy	0,590	0,877	0,506	0,825
Perception of crisis	0,730	0,915		0,884
Discount proneness	0,609	0,861		0,784

Source: The authors.

*GoF (goodness of fit) =0,573

The discriminant validity was also observed when comparing the square root of the AVE versus its correlation with the other variables. Next, we observed the cross-loads of items in their own variables, or Crossloadings. These results are observed in Tables 2 and 3.

Table 2– Discriminant validity, AVE square root

Variable	General brand equity	Intention to buy	Crisis perception	Discount proneness
General Brand equity	0,800	-	-	-
Intention to buy	0,654	0,768	-	-
Perception of crisis	0,031	0,099	0,855	-
Discount proneness	0,228	0,338	0,292	0,781

Note: In bold the square root of the AVE

Source: The authors.

The discriminant validity was reached at this first moment with the square root of the AVE of the variables greater than its correlation with the other variables.

Table 3– Crossloadings, discriminant validity

Initials	General brand equity	Intention to buy	Crisis perception	Discount proneness
BE2	0,857	0,571	0,024	0,152
BE3	0,825	0,522	-0,040	0,178
BE4	0,711	0,473	0,097	0,228
CR1	-0,032	0,033	0,761	0,153
CR2	0,044	0,125	0,938	0,262

CR3	0,012	0,061	0,815	0,342
CR4	0,038	0,070	0,894	0,223
IC1	0,504	0,684	0,031	0,112
IC2	0,580	0,768	-0,033	0,151
IC3	0,439	0,797	0,098	0,382
IC4	0,451	0,802	0,125	0,354
IC5	0,536	0,784	0,153	0,287
PD1	0,160	0,247	0,190	0,761
PD3	0,163	0,247	0,191	0,734
PD4	0,224	0,224	0,241	0,736
PD5	0,177	0,325	0,280	0,881

Note: In bold the loads of items in its respective variables

Source: The authors.

Também se observou que os itens tiveram carga maior nas suas respectivas variáveis do que nas demais. O modelo final alcançou uma boa qualidade de ajuste. As hipóteses foram confirmadas na sua maioria. Esses resultados podem ser observados na Tabela 4.

Tabela 4– Modelo estrutural final

Hypotheses	Relationship	Original coefficient	Mean of the 500 resamples	Standart error	T test	p-value	Status
H ₁	General brand equity → Intention to buy	0,605	0,588	0,047	13,011	0,001	Accepted
H ₂	Discount proneness → Intention to buy	0,145	0,154	0,059	2,478	0,014	Accepted
H ₃	General brand equity * Perception of crisis → Intention to buy	-0,201	-0,161	0,096	2,101	0,036	Accepted
H ₄	Discount proneness * Perception of crisis → Intention to buy	-0,010	-0,036	0,088	0,116	0,908	Not Accepted

Source: The authors.

The final structural model showed positive and significant relationships for all variables, confirming all the hypotheses except the H4 hypothesis. This hypothesis was already fragile in the relationship between the variables without the moderation of Perception of crisis. The indicators of accuracy and predictive value of the model can be seen in Table 5.

Table 5– Accuracy and predictive value of variables

Variable	Q ²	f ²
General brand equity	-	0,521
Intention to buy	0,283	0,602
Perception of crisis	-	0,691
Discount proneness	-	0,612

Source: The authors.

These results corroborate the best explanation (R² and Q²) of the dependent variable Intention to buy. It is also possible to observe the highest predictive relevance (f²) for the variable Perception of crisis, even if the other variables have reached a similar value. Figure 2 summarizes the final structural model data.

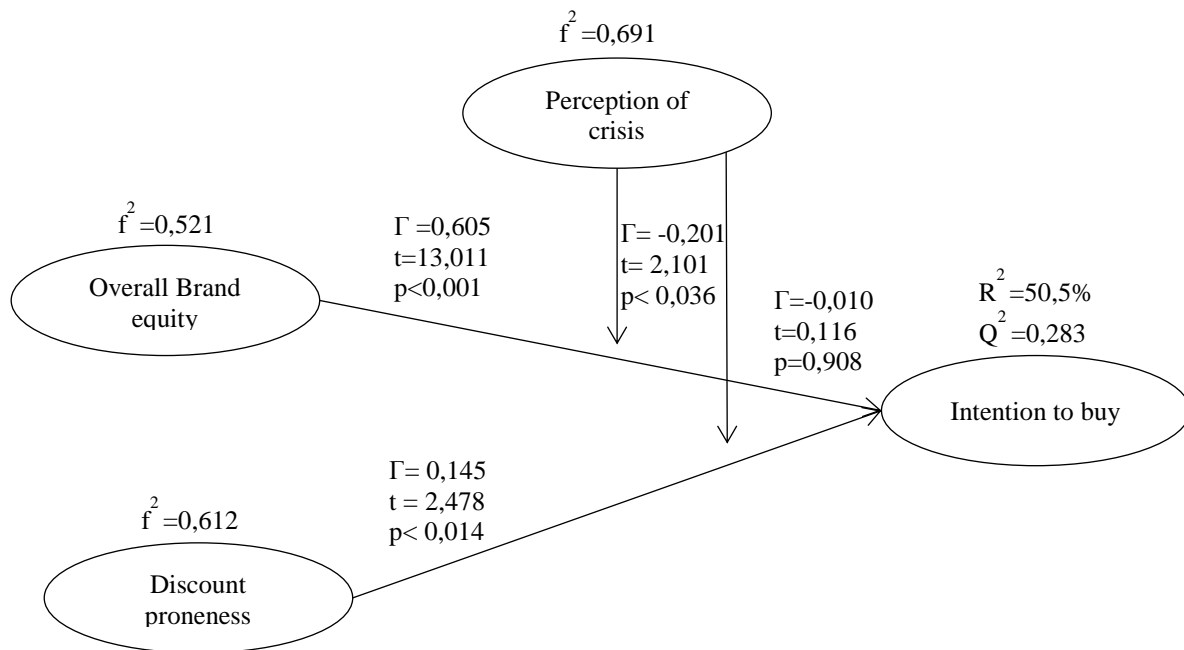


Figure 2– Final structural model
Source: The authors.

The final structural model described the relationship between the study variables in a very acceptable way. In the next section it will be made the analysis of these results and the final discussion about the study.

5 ANALYSIS AND DISCUSSION OF RESULTS

The objective of this study was to analyze the relations between two different paths for the relationship of consumers with the Intention to buy of products and brands, under the moderation of Perception of crisis. The first path is based on brand value based on the consumer perspective. The other path starts from a fundamentally transactional relationship, from a search for resource savings, to the propensity for discounts. Both ways imply Intention to buy moderated by the perception of the impact that consumers have on an economic and political crisis that affects them.

The sample of young people portrays a profile of consumer quite inserted in the context proposed by the study as they are in the initial phase of professional and economic life, when the consumption choices are abundant. It is natural that at a later stage in life, when maturity imposes more caution, decisions are made in the light of family values and of the children, with more planning. People with more maturity feel the impacts of the country's context on their lives more. At this stage, they consider buying cars and real estate, usually.

At this point in the life of young people as in this sample, it is expected that the most common consumer decisions will have to be less thought-out in the face of the political-economic situation, so their impacts would be less felt. However, it is not what this study points out. The market effects of the crisis are also affecting young people in consumer relations with less complex product categories. This can be seen in the quality of the model explanation for Intention to buy ($R^2 = 50.65\%$, $Q^2 = 0.283$). The good quality fit of the model also suggests these conclusions ($GoF = 0.573$).

As expected, all hypotheses were confirmed except for the H4 hypothesis. Even in the context of the country's difficulties, the strength of the brand's value relationship with Intention to buy ($\Gamma = 0.605$, $t_{(295)} = 13.011$, $p < 0.001$) was confirmed as proposed by H1. This result shows the importance of brand equity as a significant antecedent of consumer marketing responses. The value of the brand based on the consumer perspective is well documented in the literature as antecedent of the intention to pay a premium price (Kapferer, 2004) or its contribution to a greater probability of success in

launching new products and improving the image of retailers, not only for product manufacturers (Crescitelli & Figueiredo, 2009).

On the other hand, even in a more transactional perspective, it is observed that consumers have greater Intention to buy when seeking discounts and reduction of expenses. However, in this approach, the strength of the relationship with Intention to buy ($\Gamma = 0.145$, $t_{(295)} = 2.488$, $p < 0.014$) is lower than the previous perspective of brand value. This result seems to suggest that the consumer observes, in the value of the brand, a greater justification in his purchase option. It is worth remembering that, in this study, respondents were asked to think about their preferred brand to respond to the questionnaire. Thus, it can be believed that the value of the brand has a significance linked to the relationship of the brand with the identity of the consumer in the construction of branding strategies (Fournier, 2009).

The perspective of how much the economic and political crisis affects people's daily lives is something difficult to perceive psychologically, reflecting more on individual purchasing priority decisions. Macroeconomic aggregates also reflect these effects in terms of income, reduction of social indicators and levels of foreign economic investment in the country. The quality of institutions has great influence on the economic performance of a country (Wernick, Haar, & Singh, 2009). The market effects of the political-economic crisis, that is, the consequences of consumers' perception of the effects of the troubled political and economic moment in their responses to marketing strategies is difficult to observe. No study was found to confirm that this effort was undertaken.

The effects of a major political-economic crisis are felt by young people in employment opportunities, for example. In this sample, the level of unemployment was approximately 24% of the total. The results corroborated this reasoning. The moderation of consumer perception about the political-economic crisis for the relationship between the brand's value (General brand equity) and Intention to buy was identified. This ratio had its strength reduced from $\Gamma = 0.613$ before moderation to $\Gamma = 0.605$ significantly ($\Gamma_{\text{moderation from the crisis perception}} = -0.201$, $t_{(295)} = 2.101$, $p < 0.036$).

From a transactional perspective of consumption, consumers do not feel this influence of the political-economic crisis (H4, unconfirmed). This is believed to be due to a quest for already existing cost savings on the part of the young person. The relationship between Discount proneness and Intention to buy did not suffer a statistically significant reduction, although the reduction sense was observed ($\Gamma_{\text{moderation of the crisis perception}} = -0.010$, $t_{(295)} = 0.116$, $p < 0.908$). The relationship remained weak in both situations, without the moderation of Perception of crisis ($\Gamma = 0,194$) and after the moderation tested ($\Gamma = 0.145$).

Taken together, these results have important implications for companies as they suggest a less effective branding strategy in times of crisis. Although the literature points out that brand equity in consumer perspective is an important action to be taken by organizations, this study suggests that brand strength is reduced by Perception of Crisis on the part of consumers. Brand strategies prove to be efficient. Brand theory points to favorable impacts for organizations at all stages of the consumer buying process. Traditional and technological product brands affect consumers individually or in groups (Macinnis, Park, & Priester, 2009, Ashworth, Dacin, & Thonson, 2009, Dimofte, Johansson, & Bagozzi, 2010, Iglesias, Singh, & Batista-Foguet, 2011, Truong, Klink, Simmons, Grinstein, & Palmer, 2017).

Perception of crisis reached the highest predictive value in the proposed model, among the study variables ($f^2 = 0.691$), showing that consumers feel the impacts of political-economic turbulence psychologically. This perception seems to direct the assessments that the consumers make of the environment that surrounds them. Even tacitly, the clash between the strength of a brand, and the temptation to seek greater cost savings, should spark conflicts in the mind of the consumer, as seems to suggest the observation that the variable Brand equity has reached a high predictive value ($f^2 = 0.52$), as well as the variable Discount proneness ($f^2 = 0.61$). This conflict is without a solution for either sides, and signals a balance in the options that the consumer has in times of crisis.

For organizations, this study contributed by suggesting how issues related to economic policies and the political landscape per se affect corporate strategies, not only financially, but also in the marketing and consumer perspective, which is beyond their control. Organizations are strongly encouraged to build strong brands. This study showed two sides of the same coin: on the one hand, it showed the ability of brands, even in an environment in crisis, to resist and influence consumers favorably; on the other hand, the study showed how the strength of the brand loses some of its full capacity in a time of political-economic turbulence.

From a theoretical point of view, this work has contributed to the study of the impact of crisis on market relations, from the perspective of the consumer, and not only in the financial and economic view that is more usual. Economic results are quite evident on a day-to-day basis as well as political crisis. However, this study sought to address these psychological effects of consumers' perceptions of the impact of crisis on their way of relating to brands. Methodologically, the study also contributed to the adoption of structural equation modeling as a research technique, something not so much observed in economic studies, especially when it involves the consumer perspective, which allowed to observe the interactions of the relations of the variables simultaneously.

This study has as limitations the size of the sample and its profile. A larger set of respondents, as well as a more balanced stratification, would allow a more faithful portrayal of the Brazilian population. University students represent consumers at an active moment, but they have little representation of the diverse panel that compose the Brazilian population as a whole. The absence of a Perception of Crisis scale that is validated and replicated brings another limitation to the study.

We suggest new studies that may bring to this debate, psychographic variables that lead to a reflection on higher order aspects in the psychological sphere, to better understand the evaluation and judgment mechanisms that the consumer adopts when he or she is impacted by a general political and economic scenario, such as motivation and values. The issues addressed in the study limitations should also be focus in future studies.

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APPENDIX A – SCALES ITEMS

Initials	General brand equity (Washburn & Plank, 2002)
BE1	It makes sense to buy my favorite brand than another brand, even if they are similar
BE2	Even if another brand has the same characteristics as my preferred brand, I still prefer it
BE3	Even though there is another brand as good as my favorite brand, I still prefer my favorite brand
BE4	If another brand is not different from my favorite brand in any respect, it is smarter to buy my favorite brand
Discount proneness (Lichtenstein et al. 1993)	
PD1	Earning discounts on promotions makes me feel good
PD2	I like to accumulate discount coupons
PD3	When I use discount deals I feel I'm always making a good deal
PD4	I always like to earn discounts regardless of the value I save
PD5	In addition to the money I save, earning discounts on promotions gives me joy
Intention to buy (The authors)	
IC1	I have Intention to buy my favorite brand
IC2	I will probably continue to buy my favorite brand
IC3	I would recommend my favorite brand
IC4	Buying my favorite brand is a good decision
IC5	I would like to buy my favorite brand
Perception of crisis (The authors)	
CR1	The economic and political crisis can affect me
CR2	The effects of the political and economic crisis have an impact on my life
CR3	The political and economic crisis affects my decisions in general
CR4	I feel affected by the economic and political crisis

Source: Elaborated by the authors, based on Washburn & Plank, 2002, Lichtenstein et al., 1993.