

# THE ALLURE OF UBIQUITY: BRAND EQUITY AND BRAND AUTHENTICITY INFLUENCED BY DISTRIBUTION CHANNELS

## *O VALOR E A AUTENTICIDADE DA MARCA INFLUENCIADOS PELOS CANAIS DE DISTRIBUIÇÃO*

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### ABSTRACT

Brands, being ubiquitous, can provide different perceptions of brand equity and brand authenticity among consumers. This paper aims to identify the impact of the fit between a brand, premium positioned, placed in premium channels, in contrast with popular channels placement. A product of an identical brand may have its brand value (brand equity) altered by the fit of the channel option, i.e. a channel consistent in image and brand positioning (high fit) would impact on a higher end consumer based brand equity (CBBE). We intend to contribute to enhancing the understanding of the role of channel strategy in brand value as well as the mediating effect of brand authenticity. As a methodological proposal, a couple of experiments were conducted and it was found that the consistency between brand positioning and channel (fit) leads consumers to evaluate differently the CBBE. In addition, the study found that the fit between channel and brand has a direct effect on consumer purchase intent, the higher the fit, the greater purchase intent. Likewise, it was found that the perception of brand authenticity is affected by the fit between the channel and the brands, the higher the fit with the channel, the greater the perception of brand authenticity.

**Keywords:** Brand equity, Brand authenticity, Fit, Channels, Luxury.

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## RESUMO

*As marcas, onipresentes, podem proporcionar percepções diferentes do valor e autenticidade de marca entre os consumidores. Este artigo tem como objetivo identificar o impacto do ajuste entre uma marca premium posicionada, colocada em canais premium, em contraste com a colocação em canais populares. Um produto de uma marca idêntica pode ter seu valor de marca (valor da marca) alterado pelo ajuste da opção de canal, ou seja, um canal consistente em imagem e posicionamento de marca (high fit) impactaria um valor maior baseado no consumidor final (CBBE). Pretendemos contribuir para melhorar a compreensão do papel da estratégia de canal no valor da marca. Como proposta metodológica foram realizados experimentos e constatou-se que a consistência entre o posicionamento da marca e o canal (fit) leva os consumidores a avaliarem de forma diferenciada a equidade de marca baseada no consumidor (CBBE). O estudo constatou que o ajuste entre canal e marca tem efeito direto na intenção de compra do consumidor, isto é, quanto maior o ajuste, maior a intenção de compra. Dessa forma, constatou-se que a percepção de autenticidade da marca é afetada pelo ajuste entre o canal e as marcas. Quanto maior o ajuste com o canal, maior a percepção de autenticidade da marca.*

**Palavras-chaves:** valor da marca, autenticidade da marca, fit, canais, luxo

## 1 INTRODUCTION

Parallel to the movement of consumption, expanded retail gained strength and new contours; meanwhile, service should be the same offered in the physical store or in any other channel. The importance of shopper interactions with the retail brand drives manufacturers' efforts to increase their presence and visibility in retail. Although the tip of the iceberg may seem to be a great opportunity, it does indeed hide dangerous challenges.

From the perspective of brand managers, a unique brand distributed intensively through multiple channels, responds to two major trends: consumers search for practicality and convenience and lowest cost for manufacturers (Kotler & Keller, 2012). Nevertheless, managers have to be aware of the risk of diluting their brands through improper channels, particularly when it comes to luxury brands. Premium and luxury industry have been experiencing the dilemma between the allure of the omnipresence and the risk of loss of exclusivity.

It is important to stress that retail stores are no different from any other communication initiative of a corporation; they are part of the investment in the image of a brand (Gobe, 2007). The importance of marketing channels for brands appears from the famous 4 P's of Marketing, but little is discussed in the literature when it comes to the impact of the distribution strategy in building brands. Keller (2009) argues that part of building a brand, including a luxury brand, is intangible and depends on the brand image, which is constructed by buying situations. Associations are based on different considerations such as, the channel type (for example, exclusive marketing in department stores, specialty shops or over the internet). According to the same point of view, Lee and Kim (2008) show that consumer satisfaction, with a purchase, derives from three factors: user perceptions of product quality; customer service quality and valued attributes of a retailer. There is a paradox where brands and retailers try to live as independent units but are fundamentally connected, because the perception of the shopper is constructed by the composition of the shopping environment and the distributed products.

The awareness of the role of retail in brand building is critical because the retail becomes a quality guarantee, style, intelligence and security. Gobé (2007) argues that while advertisers struggle to find new ways to reach consumers, the growing power of retail as a way to strengthen the brand message and capture people's attention, creates a more experiential relationship with the brand. In this sense, brand authenticity arises. The word authenticity leads

almost automatically to what is true, genuine. Gilmore & Pine (2007) in their book “Authenticity, what consumers really want” stated that “nothing kills authenticity like ubiquity” or, one might say, the omnipresence.

Based on such facts, the following questions arise: What is the impact on consumer based brand equity (CBBE) for a brand purchased through channel x or y? Would expanding the distribution so aggressively, be an opportunity or a trap? Does the consumer recognize as authentic the presence of their brands and favorite products in each and every place?

In this article we review the literature on brands. Then, we develop the hypothesis that there is an impact of the distribution channel on brand equity and brand authenticity according to its fit. A survey and two experiments are presented to test the 4 hypotheses. Finally, we close with a discussion of the contributions and implications of this research for the broader understanding of branding.

## 2 BACKGROUND

The relevance of brands is no longer a discussion. There are different views according to which brands can be analyzed due to different purposes of their value (Keller, 1998). As a result, there is no consensus about the definition of brand equity. The measurement of consumer based brand equity (CBBE) analyses the consumer’s point of view on awareness, attitudes, associations, connections and loyalty to a brand (Aaker, 1991, 1996; Keller 1993, 2003). Also, aiming to measure these variables, there are numerous offers by the research industry. Indexes are conducted by Millward Brown’s Brand Z, Research International’s Equity Engine, Young & Rubicam’s Brand Asset Valuator offering various perceptions (Kotler & Keller, 2012). Brand equity can be defined exactly as the translation of the term, namely the financial value of the stream of future profits related to brand name in the current context. This flow is highly dependent on the weight of the brand in the purchase decision (Kapferer, 2000). Brand value is defined as “a set of assets (and liabilities) linked to the name of a brand that adds (or subtracts) the value provided by a product or service for your company and/or consumers” (Aaker, 1996, p. 7-8). To gain market share and leadership, a brand must be able to create a great idea and be attractive, be experienced by people at the contact points, activate actions and behaviors, be reported and distributed (Kapferer, 2012). Also important, is the relevance that the dealer has in connection with the brand i.e. they are an essential part of physical proximity with brands (Keller, 2000).

Many manufacturers do not distribute directly to their final customers, so, there is the work of intermediaries that perform this function. This is known as a marketing channel (also known as a commercial channel or distribution channel). In short: marketing channels represent the paths taken by a product, from production, to reach the hands of the end user (Kotler & Keller, 2012, p. 448).

Marketing channels have been treated secondarily. Managers, in general, have been prioritizing strategies, such as: product, price and promotion. Recently, this scenario is becoming of great interest in the area. Part of this phenomenon can be explained by the following factors: greater difficulty in gaining a sustainable competitive advantage, caused by the increased competitiveness of the market, the great difficulty for differentiation with compounds of price, product and promotion; increasing power distributors, especially retailers; need to reduce distribution costs; reevaluation of growth; increasing role of technology (Rosenbloom, 2009).

The marketing channel strategy is part of the variable distribution of the marketing mix, and the distribution logistics. Although connected, the channel strategy is much broader. The

channel strategy is the entire setup process and operation of the organization responsible for the achievement of the company's distribution goals (Rosenbloom, 2009, p. 31). There is strategic importance of selecting the members of the channel, which necessarily need to reflect the objectives and strategies of the entire organization, as the consumer's point of view, the channel reflects the manufacturer and warning image to the special care for manufacturers that sell high quality products and prestigious image. Products positioned for the mass market, positioned in a segment "average" quality, should focus on a strategy of comprehensive coverage, reducing the importance of the channel profile in this scenario, where the marketing channels should create markets, not just serve the markets. As defined by Rosenbloom, 2009: "The selection of channel members should reflect the goals and generic manufacturer strategies, and your marketing goals in an effort to" join "only the channel members that are congruent with corporate objectives and are able to implement the strategies effectively and efficiently (Rosebloom, 2009, p. 177).

Channel decisions affect all other marketing decisions (Rosebloom, 2009). They reinforce the importance of consistency between the brand image and the design of channel strategy, citing the example of Lenox porcelain brand, which boasts a high quality picture and is used in the finest residences, including the White House and operates in a highly selective distribution, being sold only by highly prestigious department stores, as jewelry. He argues that the aim of increasing the availability of the brand by distributing in popular department stores, implies a conscious change of strategy, resulting in the lowering of the image of your product and company.

There are three strategic options to choose the channel that affects the entire brand positioning of a manufacturer according to the following definitions: Exclusive distribution: it is used when the company wants to maintain control of the level and the production of services offered by resellers, or limit the number of intermediaries; selective distribution: intermediaries which wish to market a specific product are used; intensive distribution - the manufacturer puts the goods at as many points of sale as possible in order to increase sales coverage. In this type of distribution, there is an increase in the availability of products and services, which may result in a price competition and therefore not only the decrease in profitability, but also in the loss of interest of the retailer to keep the produce (Kotler & Keller, 2012).

Brand authenticity is a discussed topic today, which has considerable literature, but there is no consensus on its definition. Part of this difficulty is generated by the different perceptions of authenticity provided by different product categories. For Brunh *et al.* (2012), since there is not a single definition of the term, particularly in the brand context, it corresponds to a variety of attributes, refers to an essential human aspiration, intensified by the anguish caused by the times of increasing uncertainty, it becomes a key issue for contemporary marketing and an essential factor for the success of a brand.

Despite the lack of consensus between the definitions of authenticity, some terms are recurring, as genuine, real and true, those somehow integrate virtually all settings. Consumers seek authenticity to find meaning in their lives, therefore the values need to be in line with the associated personal goals, goals that are relevant to their daily lives (Beverand & Farrelly, 2010). Brands can acquire an aura of authenticity through a "... Commitment to tradition, a passion for art and excellence in production and public repudiation of the role of modern industrial and commercial attributes motives" (Beverland, 2005, p. 1008).

Newman & Dhar (2014), examined the role of contamination in building perception of value and authenticity based on the place of manufacture of a product, previous studies have

shown that the place of manufacture could play an important role in consumer preference for a product that would be considered identical, excluding the original location.

This phenomenon is usually explained by the effect of the quality of inferences or expertise associated with places of origin. In the study of Newman & Dhar (2014), a different approach has found that even when the brand, retail and appearance of the product are the same, the place of production leads consumers to realize greater value to products, which have been made in the original plan. In practice, a consumer may prefer a bag made in Paris rather than another identical, the same brand sold in an authorized store, but manufactured in California. The authors also demonstrated that consumers believe that the original plant product in any way absorbs the brand “essence” which leads to perceptions of authenticity and hence value.

The study (Newman & Dhar, 2014) also helped clarify the role of the effect of “contamination of the brand” because it demonstrates complex psychological elements in how objects can be “infected” by abstract elements as brands.

As perceived by Grayson & Martinec (2014), connections to a particular location or individual can “equip the consumer with a strong sense of evidence, unequivocal verification.”

Despite the increased importance of authenticity as the marketing subject of study in this literature review we haven’t found publications to assess the influence of marketing channels in the perception of authenticity of a distributed brand. The same challenge was found to CBBE or brand value, since the topic has also been focus of study from researchers in the marketing area, however, although the literature review for this study found several studies on CBBE with mentions of influence the channel in the perception of brand value (Aaker, 2000; Kapferer, 2012; Kotler & Keller, 2012) there are no studies that effectively measure the fit of impact between distribution channel and brand in the perception of the brand CBBE and also in relation to whether there would be an impact on consumer perception of the authenticity of the brand.

Building in these findings we predict that:

**H1:** The perceived fit between marketing channel and brand will positively impact the perception of the dimensions of CBBE of premium positioned brands.

**H2:** The perceived fit between channel and brand positioning influences the perception of consumers about brand authenticity in the premium market, that is, if the channel has greater fit with the brand, the greater is the perceived authenticity;

**H3:** Authenticity plays a mediating role between the chosen channel and the CBBE in the premium market.

**H4:** The perceived fit between marketing channel and perfume premium brand will impact in a greater intent to purchase.

### 3 METHODOLOGY

Prior to the experiments there was a qualitative phase to gain insights into the theme. The qualitative phase aimed to increase knowledge of the research context, deepen knowledge of consumer habits and attitudes in relation to the assessed category. These insights were used to assist in choosing the brands for the experiments and enrich the analysis results. Two focus groups were carried out in a well-known university in Brazil. Participants aged between 20 and 24 years who belonged to classes A and B.

After that, two expert interviews were conducted to complement the knowledge of the researcher about the industry and its challenges, also guiding the choice of perfume brands and stores that should be researched, as well as assisting in the choice of additional questions to the scales used in the questionnaire.

## Experiment 1

Experiment 1 tested the hypothesis that the perceived fit between marketing channel and brand impact positively on the perception of the dimensions of CBBE of premium brands. Three hundred and seventy-four people participated in an on line panel. The participants were aged between 21, and 50. 78,7% of the participants was female. The invalid questionnaires were excluded, resulting in a final sample of three hundred ten valid questionnaires, as there were participants who did not answer specific questions.

First, participants were asked to imagine themselves as buyers of branded products evaluated in the context of a particular channel option, gauging perceptions of the shopper toward the brand from retail environment where the brand was inserted. This study aimed to understand how the different retail brands, represented here by retailers such as: Sephora™, Lojas Renner™ and Magazine Luiza™, impact the perceived value of the brand of fragrance products belonging to luxury groups, represented here by the brands: Carolina Herrera™ and Prada™.

The assumption behind this study was that participants would value the CBBE of perfume (through Yoo & Donthu, 2001 brand equity scale) and brand authenticity (through Bruhn *et al.*, 2012 brand authenticity) both using a 5-point Likert scale.

As part of the experiment, participants read the following cover story: “Imagine you went shopping for a perfume by the VIP brand – Carolina Herrera™. You get on Sephora™ store, which is a specialty shop of beauty products, and go straight to the perfume section. There, you will find the product you were looking for. Considering this scenario, answer the questions below. Remember that there are no right or wrong answers.”

After reading the cover story, participants answered questions about brand equity scale (the questions were randomized to avoid the halo effect). Encouraging the cover story, the channel option was replicated at the beginning of each page to ensure that the participant didn't forget the context to answer the questions. The Likert 5-point scale was used for both the BE and BA scales (1 strongly disagree, 2 disagree, 3 do not agree, nor disagree, 4 agree and 5 strongly agree).

To check manipulation, the questions: “Have you ever bought anything at this shop?” “Have you bought recently?” were used. The questions were used to check the respondent's relationship with the proposed stores, demonstrating that there was a significant difference in the perception of the adequacy of the store in relation to branded product evaluated.

After that, the scale adapted from Yoo and Donthu, 2001 measured the BE in the channel tested. Following the study, after reading a new cover story, participants responded to questions of authenticity scale adapted from Bruhn *et al.*, 2012. As manipulation checks, these questions were used: “Have you ever purchased in store X?”; “Do you currently own any product that was purchased from store X?”.

To assess whether the participant understood that the store image was congruent with the marketed brand, the following sentences were placed, using the Likert 5-point scale (1 being strongly disagree and 5 strongly agree. “Buying a Carolina Herrera™ perfume from this shop seems appropriate.”; “Carolina Herrera™ fragrance should not be sold in this store.”.

It was also rated the participant's relationship with the tested brand of perfume, aiming to identify possible valuation differences between users and non-users of the brand: "Do you have or have you ever had any Carolina Herrera™ perfume?"

Another dependent variable assessed in the questionnaire was purchase intention where participants were asked about how much interest they would have in buying this perfume specifically assessed in the store, Likert 5-point scale (1 = not interested, 5 = very interested).

Before debriefing, participants were asked about socio-demographic information.

## EXPERIMENT 1 – results

Carolina Herrera has already been used by 65,6% of the respondents. 85,1% have already shopped at Lojas Renner, 72,6% at Sephora and 52,4% at Magazine Luiza.

To evaluate the consistency of the sample, the Chi-square test was performed.

In order to assess the perception of adequacy (fit), the result of ANOVA showed a significant difference between groups ( $p < 0.0001$ ). To evaluate the differences between the groups, the Tukey test was used, and the result was found as expected: Sephora store performed better, followed by Renner and finally by Magazine Luiza, ( $M = 3.48$  Sephora ;> Renner  $M = 3.10$ > Magazine Luiza  $M = 2.28$ ).

When tested in relation to the perception of inadequacy of channel, the results indicate that the consumer believes that the perfume Carolina Herrera brand has less fit with the popular positioning of shops and most fit with the Sephora brand, premium positioned, according to the results. Magazine Luiza (Magazine Luiza  $M = 3.46$  > Renner  $M = 2.62$  > Sephora  $M = 1.81$ ).

To test this hypothesis, first, there was a factor analysis of 3 factors and following, an ANOVA with the design 3 (premium shop; popular store 1; popular store 2) x 3 (loyalty; perceived quality; awareness) between subjects. The expected results for ANOVA p-values are less than 0.05 (notes difference between at least one pair of means). ANOVA found a significant difference between the classes. This was performed by the Duncan test, which is a multiple comparison test. This is necessary due to the fact ANOVA points out that there is a difference within the categories, but it does not point out between which of the categories the difference is significant. The objective of this test was to compare the two stores and signal when the difference between them was significant. The differences noted by the multiple comparison test (Duncan) are represented by letters in the "groups, Duncan test", and the significant differences are marked by the combination of the letters ab.

Although it was not a significant difference in the overall BE brand in the evaluated channels ( $F = .2,842481$ ;  $p = 0.0598$ ), the value found was very close ( $p = 0.0598$ ), which served as an indication for a new test to be done to evaluate the possible differences between stores. Thus, the Duncan test was chosen, and used in further analyzes as necessary.

Using the Duncan test, the hypothesis was confirmed. A significant difference in overall brand equity of Carolina Herrera brand in comparison to the channel options, was seen (Sephora  $M = 24.48$ > Magazine Luiza  $M = 22.63$ ), which means that when considering the channel option Sephora, the consumer assigned a higher brand equity score for Carolina Herrera than the score attributed to the shop Magazine Luiza. So we can conclude that for the consumer, the brand is more powerful in one store than in the other. However, there were no significant differences in the comparisons with Lojas Renner.

These results corroborate the hypothesis H1, because we found the fit between the effects of channel option CBBE. By analyzing dimensions, the effect occurred in 2 of the 3 dimen-

sions of the CBBE, and on condition that for a channel with higher (fit), the perceived quality dimensions and loyalty were considered superior.

Among these dimensions, perceived quality stood out as most relevant, showing that, from the consumer's assessment, the channel transfers, in a very significant way to brand, the perception that the product quality is better when there is more fit between brand and channel. On the other hand, the awareness dimension was the least affected, which is consistent with the information obtained in the qualitative phase of this research, which signaled a great knowledge of Carolina Herrera brand due to its media efforts and public relations in Brazil.

To the dimension loyalty, the value ( $F = 2.492141$ ;  $p = 0.08443$ ) found in the ANOVA test did not meet the minimum threshold of significance ( $p < 0.05$ ), but was very close, which served as an indication for a new test to assess the possible differences between stores. Thus, the Duncan test was chosen. In the Duncan test, there was significant difference between Sephora and Magazine Luiza stores (Sephora  $M = 28.1$  > Magazine Luiza  $M = 25.9$ ). As a result, brand loyalty to Carolina Herrera was considered to most consumers tested, with premium channel option adjusted to the position of the brand measured. Significant differences between the scores in the comparison were found between the channels: Renner stores and Magazine Luiza. It is worth noting that the brand loyalty dimension received the highest scores among the evaluated dimensions. For the perceived quality dimension, it resulted in the ANOVA ( $F = 3.237482$   $p = 0.0406$ ), which determines that there is a significant difference between the groups.

In order to determine the differences between the groups, there were comparisons by Duncan test, indicating the following result (Sephora  $M = 24.2$  > Magazine Luiza  $M = 22.5$ ), i.e. the perception of quality of Carolina Herrera brand marketed in Magazine Luiza stores is lower compared to the perceived quality of the brand in Sephora store. This impacted directly on the outcome of the general brand equity of the brand, i.e. it is likely that consumers who interacted with the Magazine Luiza shops show less loyalty to the brand, which means a greater chance that brand is replaced by another, considered of a higher brand value.

There was no significant difference in the brand awareness among the channels evaluated for this dimension ( $F = 2.14808$ ,  $p = 0.1187$ ).

One possible explanation for this result could be the major media effort made by the brand, as documented in exploratory research, which directly influences brand awareness. Demonstrating that although knowledge and brand associations are not affected by the channel, the dimensions of loyalty and perceived quality are contributing enough to impact the bottom line of the CBBE.

The intention to purchase from the channel was tested. The results found corroborate the hypothesis of the study, where we find in the ANOVA test a significant difference, being ( $p = 0.0001$ ). In the Duncan test there were certain differences between the groups, which culminated in the following result: (Sephora  $M = 3.13$  > Renner  $M = 2.55$  > Magazine Luiza  $M = 2.07$ ). I.e. the same channel options that had greater fit between brand and channel showed higher purchase intent. These results are in line with the literature review that indicates that the channel has influence on the shopper's purchase intent.

H3: The authenticity plays a mediating role between the fit and CBBE in a premium brand.

The hypothesis H2 was demonstrated, with all dimensions of brand authenticity affected by channel option for the general authenticity ( $F = 13.57778$ ;  $p = 0.0001$ ). The Duncan test detected significant differences between the groups, channel options and Magazine Luiza Sephora (Sephora > Magazine Luiza). It is noteworthy that there was a significant difference between all dimensions of brand authenticity, so much that it was proved that for the CH brand, consumers perceived the Carolina Herrera brand as more authentic when marketed in the shop Sephora compared to Magazine



Luiza (Sephora  $M = 17.07 >$  Magazine Luiza  $M = 13.19$ ), while in comparison with Renner, a statistically significant difference was not found (Sephora  $M = 17.33 = 17.07$  Renner).

Between dimensions, the most affected was the reliability ( $F = 13.0366$ ,  $p = 0.0001$ ) (average reliability  $M = 20.18$ ) and in comparisons between the channels ( $M = 20.64$  Sephora  $>$  Magazine Luiza  $M = 15.73$ ).

While the natural ( $F = 11.6601$ ,  $p = 0.0001$ ) had the lowest mean score ( $M = 16.94$  authenticity, naturalness  $M = 12.46$ ), however, when comparing the shops, there were no significant differences between the Sephora stores and Magazine Luiza, that is, the brand is perceived as more natural at Sephora channel option than in Magazine Luiza (Sephora  $M = 12.46 >$  Magazine Luiza  $M = 9.67$ ).

The dimension's continuity ( $M = 17.76$ ) and originality ( $M = 17.38$ ) reached very close scores, demonstrating that the effect is substantially equal to the composition of scale. Comparing the channel options, found the effect of perceived continuity brand ( $F = 13.03659$ ;  $p = 0.0001$ ) at Sephora channel option ( $M = 18.19 >$  Magazine Luiza  $M = 13, 46$ ). While the originality ( $F = 8.151581$ ;  $p = 0.0001$ ) also obtained the same effect found in other dimensions, the brand was perceived as more original than the Sephora shop on Magazine Luiza (Sephora  $M = 17.73 >$  Magazine Luiza  $M = 13.89$ ).

The analysis of the mediating effect on the brand of authenticity, seeks to prove the hypothesis H3, where:

H3 - The brand authenticity plays a mediating role between the "fit" and "BE" brand. Mediation models are often used in studies of marketing and consumer behavior areas. Considering the analysis of measuring paths, if mediation variable, M, is at least partially responsible for the association between X and Y, then one might think that the X impact on Y should be significant, then the mediator, M, also has some effect (Prado, Korello & Silva, 2013).

Figure 9 shows the coefficients found in the model. Statistical significance of the effects of mediating were computed using the bootstrap confidence intervals (MacKinnon, Lockwood, Hoffman, West & Sheets, 2002), computed to a sample of 5,000. The effects (direct, indirect and total) and their p values are shown in the tables in Figure 10.

## EXPERIMENT 2

The details of this procedure were the same as in experiment 1. The two experiments followed the same procedure and were based on the same questionnaire, which have changed only the stimulus. Thus, it is not necessary to repeat the complete description of the experiments. The second experiment follows the same procedure as in Experiment 1, the same questionnaire was used, replacing the Carolina Herrera brand by Prada and limiting channel options: Sephora and Magazine Luiza.

The brand chosen was the perfume PRADA, using as criteria, information obtained in interviews with experts, where it was identified that the Puig distributor, controlling the distribution of both brands (Carolina Herrera and Prada), ranks the Carolina Herrera brand as brand channel, while Prada is considered as a positioning brand, giving prestige, to an upper position of the brand previously tested.

The sample consisted of 103 people, mostly women (79.8%), mean age 33.4 years). Participants were chosen for convenience, through Facebook and LinkedIn pages among the researcher's contacts. The checking of the manipulation was done in the same way described in the previous experiment performed to obtain the same result.

Among the participants of the second experiment, the imported perfume users rate was 98.1%, minimal, and the difference between respondents of Sephora and Magazine Luiza group.

However, in this experiment we observe fewer users of the brand, compared to the previous experiment, the Carolina Herrera brand averaged 66%, while the Prada brand analyzed in the second experiment showed an average of 35.4% of brand users among the participants, which can be explained by the profile of the brand, since it is a prestige brand positioning and thus more exclusive. This factor should be taken into account when evaluating the results.

On average, 60.2% of respondents have bought in the channels studied. The number of participants who have already bought in the canal was higher for Magazine Luiza (62.5%) and Sephora (58.5) and Magazine Luiza (48.8%).

As expected, the same result from the first experiment were found, the perceived adequacy of Prada brand with the channel options, significantly different (Sephora:  $M = 3.45$ ,  $SD = 0.89$ , Magazine Luiza  $M = 2.49$ ,  $SD = 1.23$ ,  $t = 0.0001$ ). As a shop, Sephora is considered more appropriate, that is, one sees most fit between channel and brand than the Magazine Luiza Stores.

The inadequacy was also tested by the question: "The Prada fragrance should not be sold in stores X" where the expected result was also found, with a significant difference (Sephora:  $M = 2.25$ ,  $SD = 0.79$ , Magazine Luiza  $M = 3.20$ ;  $SD = 1.57$ ;  $t = 0.0010$ ), in the consumer response, the Prada brand of perfume should not be sold in Magazine Luiza stores.

To evaluate some factors that lead to the perception of inadequacy of the store toward the brand, the participants answered the following checking questions. A Likert 5-point scale (1 being strongly disagree and 5 strongly agree), "The store x (where x store Magazine Luiza or Sephora, according to the received questionnaire) is sophisticated, the store x sells high quality products and lastly "I feel happy to buy in stores x). Significant results were found in all the questions, and any difference regarding the quality factor, i.e., and the biggest difference lies in the issue of channel sophistication and also happy to buy at rated channel, which is consistent with the results of adequacy of perceptions and inadequate channel options with valued brand.

The intention to purchase the PRADA perfume was very close to the values found in the first experiment, where the Carolina Herrera brand was tested (experiment 1  $M = 2.60$ , experiment 2  $M = 2.50$ ). In both experiments, we found a significant difference between the purchase intention in channel options, and the channel option deemed most appropriate, served as the forecast for higher purchase intent (Sephora:  $M = 2.76$ ,  $SD = 1.11$ , Magazine Luiza  $M = 2.15$ ,  $SD = 1.05$ ;  $t = 0.0072$ )

Replicating the analysis model used in the experiment 1. This analysis was aimed, from a factor analysis and comparisons between the scores for the brand in the evaluated channel options. Analyzing the H1 hypothesis for the Carolina Herrera brand as described below:

H1: The perceived fit (fit) the positioning of the channel versus brand positioning impacts on the perception of the dimensions of CBBE in the premium market;

In the second experiment, contrary to expectations, the hypothesis has not been proved; no significant differences were found in the dimensions of CBBE. Since the closest results were found in the dimension loyalty. Although it was not a significant difference in the Prada brand CBBE, it is important to stress that the differences were directly measured on the channel option.

To deepen the analysis, it was not foreseen when the initial hypothesis was tested for BE the mediation effect on the fit, where we find a significant effect of BE mediation on purchase intent. This explains why although the consumer apparently did not notice a significant difference in the BE function of the brand in channel option, BE served as an explanation for the effect on the purchasing intention of the brand, as represented in figure 1.

In this topic, from the factor analysis, we evaluated the impact of fit of channel options, in

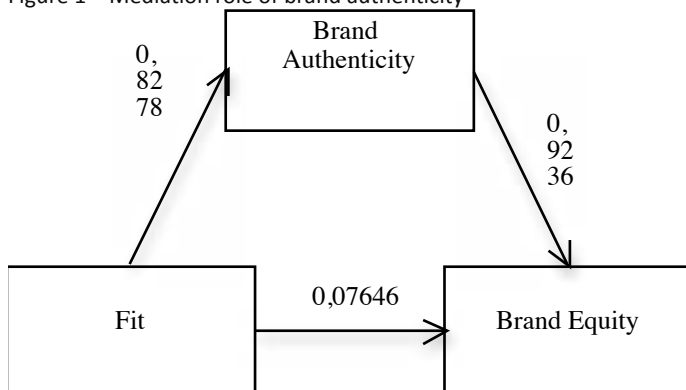
this case Sephora and Magazine Luiza, on the Prada brand in the dimensions of the mark of authenticity, as well as on its average rate. The purpose of this step is to test the hypothesis H2, which is:

H2: For the dimensions of brand authenticity, the null hypothesis was found.

As the results previously show, the H1 and H2 chances are nil for the second experiment, however, the hypothesis 3 was confirmed. Note that the assumptions H1 and H2 evaluations were carried out considering directly the effect of channel option on the BE and the mark of authenticity, while the analysis of the mediating effect, considered the fit between channel and brand, justifying the findings, since the fit encompasses the perception channel option to fitness.

The H3 was confirmed in the second experiment, the authenticity exercised mediating effect between the fit and the CBBE. In parallel, it was also identified the mediating effect of the brand on authenticity between the fit and purchase intent, so that it can be said that the perception of the brand authenticity caused by the fitness of the channel option, helps explain the evaluation of CBBE, as well as the intention of buying a particular brand.

Figure 1 – Mediation role of brand authenticity



## 4 RESULTS AND DISCUSSION

The study by Lee and Kim (2008) shows that consumer satisfaction with a purchase, derives from three factors: user perceptions of product quality, customer service quality and value attributes of a retailer. I.e., the purchase channel and the product would not be totally dissociated elements. Altogether products and services generate the so-called shopping experience.

Based on the experimental results, first performed with the Carolina Herrera brand and channels (Sephora™, Lojas Renner™ and Magazine Luiza™), one can confirm, in part, that the perception of the fit between a premium brand and distribution channel influences the perceptions that consumer builds toward the brand. Objectively, it affects positively the CBBE value. The perception of low-fit between the premium brand and popular channel considered negatively affects certain dimension of CBBE, in particular the dimension of perceived quality.

Such an influence can be direct or indirect (as identified through the mediating effect), but in all experiments it was proved that, somehow, perceptions about the brand value and its authenticity were affected by channel option. It was also found that the influence is not restricted to brand perceptions and also influences, directly, purchase intent.

According to Keller (2011), what makes a name acquire the power of brand is the product or service along with people and points of contact with the market (channels), the price, the

places, communication, i.e., all sources of cumulative experience of the brand.

Briefly, customers exposed to a premium brand sold in a consistent positioning channel, evaluated the brand as the most valuable and authentic and therefore show greater purchase intent. However, the same brand sold in a channel perceived as inconsistent made the brand be perceived as less valuable and less authentic and so, the consumer had no intention of buying it.

As shown in the H1 of this research, a brand is a set of mental associations in consumers' minds. It adds perceived value of a product or service (Keller, 2012).

## 5 CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The main objective of this paper was to broaden the understanding of how the fit between the channel and the brand could affect the perceptions of consumers towards the brand value and, in parallel, its authenticity. We come to the conclusion that consumers will use the subjective fit perception in their buying decision process, which will directly affect the perception of the brand equity. In the meantime, authenticity plays a mediating role between the fit and the brand equity, thus affecting directly consumer attitudes, and influencing their purchase intention.

Brand management should be used around the marketing mix to manage brand value and its authenticity, but it is essential that the marketing channel be not treated secondarily. Its role is strategic in building and maintaining brand and wrong choices, may cause fatal inconsistencies for its brand equity, which is the main result expected for a brand. Channels are messages. Any business has the mission to gain customer value and profit. In such a competitive hyper economy, where consumers get confused when facing an excess of options, the success of a company depends on its ability to adjust the value delivery process. That means selecting, communicating and ensuring superior value.

This study adds to the theory of marketing channels, when investigating the effects of fit between channel and brand, identifying the possible effects of channel strategy in CBBE and brand authenticity, as well as, purchase intent.

From the management perspective, this study highlights the importance of channel strategy in brand management by demonstrating how channel decisions affect the perceptions and associations that consumers build around the brand. It offers a greater awareness of the trade-offs involved in some dilemmas in distribution strategy, as the choice of intensive or selective distribution for premium positioning brands.

The main results lead to the relevance of the channel consistency strategy to the construction and maintenance of strong brands. The consumer perceives as the most valuable and authentic brand, the one which is marketed in the channel presenting fit positioning between the brand and perceived image of the channel. This view is important because it demonstrates the risks inherent to the intensive distribution strategy, which prioritizes the advantages of volume and economies of scale, but it minimizes the harmful effects on brand equity.

This study indicates that the lack of consistency between marketing channels and brand, imply the perception of inadequacy of brand positioning, beyond the direct effect on the purchase of purchase intent, which also signals the risk that the product placed on the inappropriate channel, manages to weaken the brand image and does not generate the expected results in sales volume.

As a suggestion for future studies, it would be interesting to perform the same study with other types of premium products to understand whether this effect is limited or can be extended to other categories.

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