



## Research article

## Price perception and price appearance on repurchase intention of Gen Y: do brand experience and brand preference mediate?

Yasri Yasri<sup>a</sup>, Perengki Susanto<sup>a,\*</sup>, Mohammad Enamul Hoque<sup>b</sup>, Mia Ayu Gusti<sup>c</sup><sup>a</sup> Department of Management, Faculty of Economics, Universitas Negeri Padang, Indonesia<sup>b</sup> UKM-Graduate School of Business, Universiti Kebangsaan Malaysia, 43600 UKM Bangi, Selangor Darul Ehsan, Malaysia<sup>c</sup> Department of Economics, Faculty of Economics, Universitas Negeri Padang, Indonesia

## ARTICLE INFO

## Keywords:

Price perception  
Appearance  
Brand preference  
Experience  
Repurchase  
Management  
Industry management  
Marketing  
Consumer attitude  
Family business

## ABSTRACT

The study examines the effect of price perception and price appearance on Gen Y's repurchase intention towards snack products of small and medium-sized enterprises (SMEs), along with the mediating roles of consumers' brand experience and preference. A survey method for data collection in the study used with a structured questionnaire, in which the respondents were requested to give their responses to the experiment conducted on local specialty snack products produced by SMEs. Covariance-based structural equation modeling (CB-SEM) was used to analyze the hypothesized relationships in the research model. The findings show that all the direct effects in the proposed model have a significant effect, except for the relationship between price perception and brand preference that there is no significant effect. Similarly, the mediating roles of consumer brand experience and consumer-based brand preference proved to have a significant effect. Finally, the implications of this study will be discussed further.

## 1. Introduction

Millennials' (also known as Generation Y or Gen Y) repurchase decision has become an interesting research topic due to fundamental differences in their characteristics compared to previous generations (Generation X or Gen X) (Kim and Yang, 2020) and the large potential market in the future (Culiberg and Michelic, 2016; Deloitte, 2014). Statistically, this generation amounts to 27% of the world population, and around 58% of them lives in the Asian countries (i.e., China, India, and Indonesia), the United States, and Brazil (Sillman et al., 2016). In addition, the current Gen Y already has a job, so they become a potential target group for business (Farris et al., 2002).

The unique characteristics of Gen Y (compared to the previous generations) have been of particular concern to previous researchers (i.e., Bento et al., 2018; Bilgihan, 2016; Giovannini et al., 2015; Krbová, 2016), because Gen Y is more technology-savvy and is influenced by peers, and distrusts brands (Soares et al., 2017). Thus, understanding the behavior of this generation is more difficult than the previous generations because they are not influenced by traditional media, they are more dynamic, and they are more creative (Bellman et al., 2009; Reisman et al., 2019). Additionally, this generation is not loyal to a single product or brand as loyal as the previous generations (Soares et al., 2017; Wolfe,

2004; Krbová, 2016), because they easily obtain online information to assess differences in prices and brands of various products offered by producers. Henceforth, it is necessary to assess Gen Y consumers behavior regarding price perception, price appearance, brand experience, preference, and repurchase intention. Such understandings could provide more valuable insights to different business groups so that they may work on brand differentiation and consumer preference enhancement. Additionally, studying the behavioral patterns of Gen Y consumer group could facilitate to predict future market trends as well as to building a Niche market or product particularly of this generation of consumers.

Although generation based marketing, brand preference, and repurchase intention has been suggested (see Bento et al., 2018; Bilgihan, 2016; Giovannini et al., 2015; Soares et al., 2017 among others), the study related to the host subject matter does not focuses on the important and interesting perspective of the generation differentiation (see Ebrahim et al., 2016). Therefore, the present study examines the behavior of Gen Y consumers regarding price perception, price appearance, brand experience, and preference toward repurchase intention of local specialty snack products produced by small and medium-sized enterprises (SMEs). More specifically, this study examines the effect of price perception and price appearance on repurchase intention of snack products produced by

\* Corresponding author.

E-mail address: [perengki@fe.unp.ac.id](mailto:perengki@fe.unp.ac.id) (P. Susanto).

SMEs, which are mediated by brand preference and brand experience. The uniqueness of this study is that it is conducted in Gen Y with an experimental approach to measure their experiences of price perception, price appearance, brand preference, and brand experience. In addition, this study also makes a practical contribution to SMEs practitioners in terms of data collection method by conducting a try-out on SMEs products before answering the research questions in the questionnaire. Therefore, SMEs practitioners, particularly those operating in food products, can find out a direct assessment from the Gen Y consumers on the products they produce.

There is strong motivation for the focusing on SMEs, to the best of the researchers' knowledge a very limited number of prior studies have examined the behavior of Gen Y on products from SMEs. Although Barska (2018) and Barska and Wojciech (2014) focused their study on examining food product innovations based on the perspective of Gen Y consumers, they have not studied repurchase intentions of leading snack products from SMEs, particularly those related to brand experience and brand preference. This shows there are empirical limitations in the study of Gen Y based on repurchase intention of products of SMEs. Moreover, that Gen Y generation has an online shopping orientation especially for clothing products (Ladhari et al., 2019) leads to an inquiry whether there is a desire to off-line repurchase intention for SMEs food products based on price perception, price appearance, brand experience, brand preference because Gen Y empirically has non-loyal customer characteristics (Soares et al., 2017).

The remaining paper structured as follow. The next section discusses the literature in tandem with testable hypothesis. section 3 discusses the research methodology of the study. The following section presents and discusses the empirical findings. The final section concludes the study and provides a future direction.

## 2. Theoretical background and hypothesis

### 2.1. Repurchase intention

Repurchases describe the real actions of customers in repurchasing or reusing the same product (Ibzan et al., 2016). This very possibly happens because of the consumers' potential to repurchase the same product (Peyrot and Van Doren, 1994). Conceptually, repurchases are actual actions, while repurchase intentions indicate a customer's decision to engage in future purchases with the same retailer or supplier (Hume et al., 2007; Zhang et al., 2011). For marketers, this repurchase intention is their particular concern, because the repurchase intention can arise due to the impact of previous buyers. If the price perception, experience, brand and satisfaction are not in line with what buyers have paid for and what they have gotten, the repurchase intention likely to be at lower degree.

Pointing the difference of repurchase intention among different generations, many studies argued that, the repurchase intention of Gen Y is different from Gen X (Soares et al., 2017; Trivedi and Yadav, 2020). These studies have noted that Gen Y are comfortably get information about prices, brands, and experiences of others in shopping. Additionally, Gen Y are found to be more technologically savvy, and they do not easily trust any certain brand. These promising differences in the purchase and repurchase behavior of different generations groups has led the current study to focus on examining several antecedents of repurchase intention of Gen Y including price, appearance perception, brand experience, and consumer-based brand preference.

### 2.2. Price perception

Price perception generally refers to the value of money (monetary) and sacrifice (non-monetary) given by customers to get a product (Petrick, 2004). Price becomes the extrinsic cue of consumers in forming a prominent aspect of 'monetary value perception' (Zeithaml, 1988). Price perception can also describe a customer's emotional experience to get a

product, that could be a positive or negative signal to behave (Lichtenstein et al., 1993). For example, if a customer has a positive price perception, it has a good effect on purchase intentions (Alford and Biswas, 2002). Similarly, Liu and Lee (2016) also found that price perceptions could increase repurchase intentions. Likewise, in the marketing domain, the extant studies have also shown that price perception positively influences repurchase intention (Petrick, 2002; 2004; Ladhari et al., 2019). Therefore, we hypothesize as follows:

**H1:** Price perception positively influences repurchase intention of Gen Y.

Price perception also have an impact on consumers' brand preference. Several previous studies have also proven the role of price as an independent factor in consumers' brand preference (e.g., Alamro and Rowley, 2011; Hwang and Chung, 2019; Petruzzellis and Romanazzi, 2010). Ebrahim et al. (2016), for example, found that prices significantly and positively influenced consumers' brand preference. Such finding is consistent with the previous findings of the research done by Alamro and Rowley (2011). Therefore, it can be asserted that consumers are willing to pay a higher price for a brand that have high value, and vice versa (Erdem et al., 2004). Henceforth, we formulate the following hypothesis:

**H2:** Price perception positively influences brand preference of Gen Y.

In the context of marketing experience, price also illustrates the cost of consumers' experience (Brakus et al., 2009). In general, price is a source of consumer' experience creation (Pine and Gilmore, 1998). For example, if consumers have good experience in the price product, that can build a positive price experience. Consumers may want to pay more for brand experience (Puccinelli et al., 2009). This empirically shows that service price positively influences consumers' experience (Rageh Ismail, 2010). More specifically, price serves as an important stimulus of consumers' experience (Puccinelli et al., 2009). Therefore, we hypothesize that:

**H3:** Price perception positively influences brand experience of Gen Y.

### 2.3. Appearance perception

Appearance is an attribute which is not related to the product (Keller, 2003), i.e. hedonic value (Arruda-Filho et al., 2020) or expressive/symbolic value (Creusen and Schoormans, 2005; Peng and Chen, 2019). The appearance value comes from attractiveness and brand aesthetics that can vary for different consumer. The appearance will reflect the attractiveness of sensory attributes and brand design (Reimann et al., 2010; Huang and Liu, 2020; Sheng and Teo, 2012). Moreover, appearance can be called as source of pleasure (Decker and Trusov, 2010; Huang and Liu, 2020; Melewar et al., 2010; Schoenfelder and Harris, 2004) and an attribute distinguishing one brand from other brands that would increase consumers' preference (Reimann et al., 2010). Consumers' senses relate to the appearance or quality of brand design, for instance color, form, and proportion; thus, it becomes source of positive feelings for the customers (e.g., Huang and Liu, 2020; Hultén, 2011). The positive feelings are the basis for consumers to make repurchases of the product. This also empirically gives confidence that appearance perception influences repurchase intention (Ebrahim et al., 2016). Therefore, we propose the following hypothesis:

**H4:** Appearance perception positively influences repurchase intention of Gen Y.

Empirically, aesthetic aspects become brand stimulation supporting the brand consumer experience (Brakus et al., 2009; Ebrahim et al., 2016; Joy et al., 2014). Brand aesthetics enhance consumers' senses, and influence consumers' experience responses (Hultén, 2011; Schmitt, 1999; Gentile et al., 2007). The idea about consumer perception brand appearance or aesthetics is linked to consumer experience as shown by Sheng and Teo (2012). Additionally, prior studies (e.g., Decker and Trusov, 2010; Huang and Liu, 2020; Petruzzellis and Romanazzi, 2010; Verzyer and Hutchinson, 1998) state that brand appearance can also source of pleasure. As explained by Reimann et al. (2010), an attribute distinguishing it from other brands thereby increasing consumer

preference. This is emphasized by [Ebrahim et al. \(2016\)](#) who argue that brand appearance significantly influences brand preference. Thus, consumers' perceptions about different brand appearance build their brand preference. Therefore, we hypothesize that

**H5:** *Appearance perception positively influences brand preference of Gen Y.*

[Hultén \(2011\)](#) argue that brand aesthetics or brand appearance enhance consumers' minds. Also, it can affect consumers' experience ([Gentile et al., 2007](#)). Furthermore, brand aesthetics is also important factor that creates and provides an unforgettable experience is consumers' senses ([Pine and Gilmore, 1998](#)). Relations to this, [Sheng and Teo](#) found that perception of brand aesthetics or brand appearance is linked to brand experience ([Sheng and Teo, 2012](#)). It is emphasized by [Ebrahim et al. \(2016\)](#) who argue that brand appearance significantly influences brand experience. Based on these previous studies, we hypothesize that:

**H6:** *Appearance perception positively influences brand experience of Gen Y.*

## 2.4. Brand preference

In the literature, brand preference is a combination of memory and brand attitude ([Kronrod and Huber, 2019](#)). Referring to [Fishbein's \(1965\)](#) in "consumers' attitude model", the model of expectation value is the most important source in understanding how consumer preference. According to [Bass and Talarzyk \(1972\)](#), brand preference is the function of cognitive and brand attitudes. Therefore, "consumers' attitude model" becomes the foundation for understanding brand preference as proved by prior empirical studies ([Kronrod and Huber, 2019](#); [Casidy et al., 2018](#); [Ebrahim et al., 2016](#); [Muthitharoen et al., 2011](#)).

According to [Bagozzi \(1982\)](#), the perception of consumers on brand attributes refers to preferences or attitudes, affecting intentions or consumers' brand choice. It means that brand preference reflects information processing, which affects consumers' choices. Moreover, [Bagozzi \(1983\)](#) also explained the relationship between "information processing and intention" or customer choice to actual purchase. This indicates that consumers' brand memory and attitudes are two of the most important elements for brand preferences ([Kronrod and Huber, 2019](#)). Specifically, [Hellier et al. \(2003\)](#) suggested that consumer repurchase intention reflects consumers' intentions to the behavior of brand repurchase. In sum, [Bagozzi \(1982\)](#) has explained theoretically that preference is antecedent of consumer intention. Empirically, [Ebrahim et al. \(2016\)](#) have proved that brand preference positively influences repurchase intention ([Ebrahim et al., 2016](#)). Based on these, we hypothesize that

**H7:** *Brand preference positively influences repurchase intention of Gen Y.*

## 2.5. Brand experience

Consumer brand experience is the initial step for actual purchase because previous experiences become unforgettable experiences during a brand purchase ([Tynan and McKechnie, 2009](#)). For example, [Diallo and Siqueira \(2017\)](#) found that prior positive brand experience affects positive and significant to consumer purchase intention. This is in line with the psychology literature that consumer experience reflects consumer emotional ([Havlena and Holbrook, 1986](#)). If consumers' positive emotional on the brand can generate positive feelings on the brand; it can affect their purchase intention ([Moreira et al., 2017](#)). This indicates that the consequence of brand experience can increase consumers behavior intention. Relation to this, the positive brand experience can affect repurchase intention ([Ebrahim et al., 2016](#)). Based on this, a hypothesis is formulated:

**H8:** *Brand experience positively influences repurchase intention of Gen Y.*

[Gentile et al. \(2007\)](#) argue that experience is viewed as effective and sensory cognitive systems. In addition, they argue that consumers' experience is viewed as effective and sensory cognitive systems. In the brand experience literature, originally introduced by [Brakus et al. \(2009\)](#) that brand experience reflects sensory, intellectual, emotional, and

behavioral characteristics. [Chang and Chieng \(2006\)](#) explained brand experience based on social aspects. Also, [Gentile et al. \(2007\)](#) viewed brand experience based on aspects of pragmatic experience, and consumer lifestyle. More specifically, [Zha et al. \(2020\)](#) assessed brand experience literature for the future research agenda. Brand preference as hedonic-sensory aspects ([Holbrook and Hirschman, 1982](#)). Thus, interactive experience, consumers will shape preferences and buying decisions as discussed by [Carbone \(2004\)](#) and [Holbrook \(2007\)](#). Experience cues generated in consumption processing can contribute to consumer preference. Furthermore, the brand experience becomes a fundamental aspect in understanding preferences and future buying decisions of the consumers ([Brakus et al., 2009](#); [Diallo and Siqueira, 2017](#); [Gentile et al., 2007](#); [Zha et al., 2020](#)). Based on this, we proposed a hypothesis that

**H9:** *Brand experience positively influences brand preference of Gen Y.*

## 2.6. Mediating role of brand preference

The role of brand preference as a mediating variable has been tested with three hypotheses: (i) the relationship between price perception and repurchase intention, (ii) the relationship between appearance perception and repurchase intention, and (iii) the relationship between brand experience and repurchase intention. [Ebrahim et al. \(2016\)](#), for example, found that brand preference mediates the effect of price perception, appearance perception, and brand experience on repurchase intention on mobile phone brands in advanced technology. This sort of the mediations has not been studied in the SMEs context, and this study believes that brand preference could act as a mediator. Henceforth, this study intends to test mediating role of brand experience within the context of the SMEs brands with the use of low technology. Therefore, we hypothesize that:

**H10a:** *Brand preference significantly mediates the link between price perception and repurchase intention of Gen Y.*

**H10b:** *Brand preference significantly mediates the link between appearance perception and repurchase intention of Gen Y.*

**H10c:** *Brand preference significantly mediates the link between brand experience and repurchase intention of Gen Y.*

## 2.7. Mediating role of brand experience

The results of previous studies show that the significant positive effect of price perception on brand preference is through brand experience ([Ebrahim et al., 2016](#)). This means that a product price donates to experience and willingness to pay higher price for customer-based brand preference that they consider to have high value. This indicates that brand experience has a mediating role in the link between price perception and consumer-based brand preference. The finding is consistent with most of the previous empirical research (e.g. [Chitturi et al., 2008](#); [Ebrahim et al., 2016](#); [Lee et al., 2011](#)) showing that the hedonic attribute of a brand, including aesthetic design or appearance, determine the consumers' experience, and the visual appeal of a brand creates a positive brand attitude and also increases consumer-based brand preference ([Lee et al., 2009](#)). Therefore, we hypothesize that:

**H11a:** *Brand experience significantly mediates the relationship between price perception and repurchase intention of Gen Y.*

**H11b:** *Brand experience significantly mediates the relationship between appearance perception and brand preference of Gen Y.*

**H11c:** *Brand experience significantly mediates the relationship between appearance and brand preference of Gen Y.*

## 2.8. Conceptual research model

Based on the theoretical study and the developed hypothesis, the research conceptual framework can be formulated as shown in [Figure 1](#). Brand preference and brand experience act as mediating relationships between price perception and repurchase intention and between

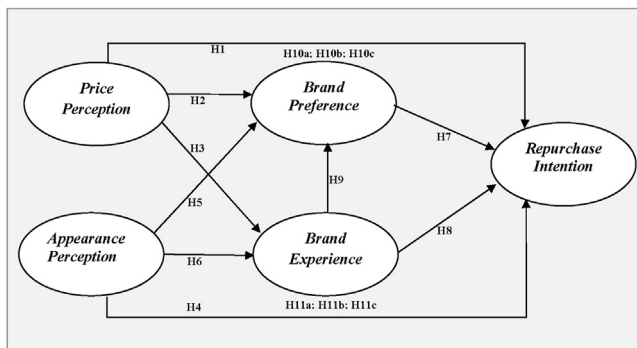


Figure 1. Research conceptual framework.

appearance perception and repurchase intention. The details can be seen in the conceptual framework of the study below.

### 3. Method

The population of this study was millennial generation in Indonesia, i.e. between the ages of 18–35 years. The sample was 237 consumers selected using an area sampling technique to represent the area of their origin. The data were collected using a questionnaire with experiments. Snacks, famous traditional crackers without brand names, were given to prospective consumers before they participate in the study. All the collected data were the primary data from the respondents. The first variable was price perception with the following indicators: (i) this brand is quite cheap; (ii) this brand offers value that will make money; and (iii) the price of this brand represents its quality. The second variable was appearance perception with the following indicators: (i) “this brand is aesthetically appealing”; (ii) “the visual appearance of this brand is attractive”; and (iii) “this brand has a good design”. The third variable was brand experience whose indicators included (i) sensorial experience; (ii) emotional experience; (iii) intellectual experience; and (iv) behavioral experience. The fourth variable was brand preference with the following indicators: (i) I like this brand better than other brands; and (ii) when I want to purchase, this brand was the first choice. The fifth variable was on repurchase intention with the following indicators: (i) I will tend to repurchase the same brand; and (ii) I will repurchase the same brand (Ebrahim et al., 2016).

The data in study were tested using covariance-based structural equation modeling (CB-SEM) method operated through the AMOS software. Based on the preliminary data analyses, the data have confirmed the assumptions of normality (Appendix 1). Statistically, Skewness and Kurtosis's values should be range in  $\pm 2.5$  values as the assumption of normality (Ferreira et al., 2013; Kline, 2015; Tabachnick et al., 2007). It was used to simultaneously examine a series of dependency relationships between the interrelated variables (Hair et al., 2014). The process of data analysis was initiated by confirmatory (validity) testing of the exogenous and endogenous constructs, reliability of exogenous and endogenous constructs, and model feasibility testing. Then the effect of mediation was tested using Sobel test (1982). The Sobel test was done by examining the strength of the indirect effect of the independent variable (X) to the dependent variable (Y) through mediating variables (M). The indirect effect of X to Y through M was calculated by multiplying X  $\rightarrow$  M path (a) with M  $\rightarrow$  Y path (b), or ab.

### 4. Results

The results of the study indicate that female respondents participated most frequently with a percentage of 64%, while the percentage of male respondents' participation was 36%. Meanwhile, based on their age, the respondents between the ages of 16–25 years showed the highest percentage (98%) of participation. Furthermore, based on their level of

education, most of them were university graduates holding bachelor degree with a percentage of 56%. Next, based on their employment, most of them were students with a percentage of 99%. Finally, based on their income, most of them earned less than 5,000,000 IDR/month with a percentage of 99%.

#### 4.1. Measurement model

The measurement model was used to test the validity and reliability of the research constructs. The results of data analysis using the covariance-based structural equation model (CB-SEM) show that the items and constructs have met the criteria of reliability and validity as suggested by Hair et al. (2014). They explain that if the factor loadings are more than 0.6 ( $>0.6$ ), they meet the predefined criteria which, therefore, indicates that the indicator is valid. Conversely, if the factor loadings are less than 0.6, then the indicator will be eliminated from the research model. The results of data processing using SEM AMOS produce factor loadings which can be seen in Table 1.

#### 4.2. Structural model

Structural model testing was carried out in stages until fit results were obtained. Then the full structural model was estimated by loading the indicators that have been tested in the confirmatory analysis. For a full model feasibility test, it is quite difficult to be able to meet all the required criteria. However, if one of the criteria has been met, it can be said that the existing model is already fit (Hair et al., 2014). In this study, we follow a two-step approach to analyze data as suggested by Anderson and Gerbing (1988). Based on the analysis, the results of goodness-of-fit as reported in Table 2.

Hypothesis testing can be seen in the regression weights table, carried out to determine whether the hypothesis is accepted or rejected. This can be seen by observing the critical ratio (C.R) and the level of significance contained in the regression weight. The hypothesis will only be accepted if the C.R. is  $\geq 1.96$  and the P value is  $\leq 0.05$ .

The table above explains that the second hypothesis is rejected because the significance value is less than 0.05 and the critical ratio (C.R) is less than 1.96. Meanwhile, in terms of its mediating effect, as suggested by previous studies (Baron and Kenny, 1986), mediation testing is carried out with the Sobel test as described previously. The hypothesis can be accepted if the value of  $t$ -value is less than 1.96 with a significance of 5%. This indicates that there is an effect of mediation on the variables studied. Based on the results presented in Table 3, it can be concluded that H11b is rejected, while the other hypotheses are accepted because their  $t$ -value values are less than 1.96 with a significance of 5%. Thus, it can be interpreted that brand experience and brand preference serve as the mediators in this study.

### 5. Discussion and implications

#### 5.1. Direct effect

The results of hypothesis testing have provided various understandings about consumer-based brand preference, especially to the local product from SMEs and the context of consumers in West Sumatra province-Indonesia. Interestingly, the results of the analysis show that price perception has an insignificant effect on brand preference. It means that the price charged to the product does not create consumer preference for the brand. The findings are contrast with the empirical studies of Ebrahim et al. (2016), that price perception has a significant effect on brand preference. One possible explanation is that Gen Y consumer groups are dynamic and they can get information which they help them to assess the worth of the product. Additionally, they also would like to pay higher for any product if that product fulfils the required utilities, vice-versa. This consumers group look always for value and worth with price. Furthermore, this generation is not loyal to any brand (see, Soares,

**Table 1.** Results of measurement model assessment.

Construct/Item	Loadings	AVE	C.R
<b>Price Perception</b>		0.472	0.728
PP1: For me, this cake is very cheap.	0.676		
PP2: The benefits I get from this product are equivalent to or even better than the amount of money I spend	0.727		
PP3: The price of this cake represents its quality	0.677		
<b>Appearance Perception</b>		0.575	0.802
AP1: The cake has a beautiful artistic value	0.801		
AP2: The cake appearance is appetizing	0.781		
AP3: The cake has an interesting shape	0.692		
<b>Brand Preference</b>		0.628	0.834
BP1: I like the cake of this brand better than other brands	0.754		
BP2: I choose the cake of this brand instead of other brands	0.743		
BP3: When I want to make a purchase, the cake of this brand is my first choice	0.881		
<b>Brand Experience</b>		0.605	0.821
BE2: Tasting the cake of this brand can change my mood	0.833		
BE3: The experience of tasting the cake of this brand makes me always remember its taste	0.744		
BE4: Consuming the cake of this brand can show my life style	0.762		
<b>Repurchase Intention</b>		0.664	0.798
RI1: I will tend to repurchase this cake	0.833		
RI2: I will purchase the cake of the same brand next time	0.802		

**Table 2.** Results of goodness-of-fit.

Criteria	Cut off Value	Output AMOS	Note
Chi-Square	Small	165.872	Fit
C-min/df	<3.000	2.404	Marginal
GFI	>0.900	0.910	Fit
AGFI	>0.900	0.863	Marginal
RMSEA	<0.080	0.077	Fit
TLI	>0.900	0.921	Fit

Source: Results of SEM AMOS processing

et al., 2017; Wolfe, 2004, Krbová, 2016). Therefore, the price perception unlikely influences on brand preference of Gen-Y.

Another possible explanation is that SMEs related to snacks products in West Sumatra province-Indonesia majority are not belong to high-end

products and mostly average categories, and Gen Y consumer groups are mostly informed about available products and their value. So, they can easily compare price and product, which lead them to make their choice. Thus, the price perception does not affect brand preference of Gen-Y consumers in West Sumatra province-Indonesia. Moreover, the findings imply that marketers should focus on the non-price factors to increase attractions of Gen Y towards their brands.

On the other hand, price perception has a significant effect on brand experience. The finding infers t that, in marketing experience, the price can be called as the cost of experience conveyed to consumers, and consumers' perception of price fairness determine consumer-based brand experience (Brakus et al., 2009; Zha et al., 2020). Therefore, it has been said that product prices are likely to contribute towards consumers' experience creation (Pine and Gilmore, 1998). Hence, product price is also a key stimulus of consumers' experiences (see, Verhoef et al., 2009). Accordingly, the SMEs should have value worthy product with

**Table 3.** Results of structural model assessment.

Relationships	Coef.	Stand. Error	t-values	Sign.	Decisions
<b>Direct effects</b>					
H1 Price perception→repurchase intention	0.343	0.089	3.853	0.005	Accepted
H2 Price perception→brand preference	0.092	0.091	1.017	0.309	Rejected
H3 Price perception→brand experience	0.526	0.124	4.250	0.000	Accepted
H4 Appearance perception → repurchase intention	0.535	0.234	2.286	0.007	Accepted
H5 Appearance perception → brand preference	0.223	0.082	2.703	0.007	Accepted
H6 Appearance perception → brand experience	0.486	0.099	4.897	0.000	Accepted
H7 Brand preference → repurchase intention	0.460	0.172	2.678	0.007	Accepted
H8 Brand experience → repurchase intention	0.286	0.146	1.960	0.050	Accepted
H9 Brand experience → brand preference	0.596	0.086	6.898	0.000	Accepted
<b>Mediating effects</b>					
H10a Price perception → brand preference → repurchase intention	0.679	0.145	4.682	0.000	Accepted
H10b Appearance perception → brand preference → repurchase intention	0.245	0.099	2.474	0.007	Accepted
H10c Brand experience→ brand preference → repurchase intention	0.543	0.079	6.873	0.000	Accepted
H11a Price perception → brand experience → repurchase intention	0.467	0.059	7.915	0.000	Accepted
H11b Price perception → brand experience → brand preference	0.326	0.219	1.488	0.407	Rejected
H11c Appearance perception → brand experience→ repurchase intention	0.487	0.187	2.604	0.008	Accepted
H11d Appearance perception → brand experience→ brand preference	0.368	0.098	3.755	0.000	Accepted

appropriate price to make better brand experience for the consumers, that could help SMEs to retain their consumers.

Next, appearance perception significantly influences brand preference. This means that if the product displayed is attractive, there will be a consumer preference for the product because brand appearance is a source of pleasure for consumers which differentiates it from other brands and which increases consumer preference for the product (Decker and Trusov, 2010; Melewar et al., 2010; Schoenfelder and Harris, 2004; Veryzer Jr. and Hutchinson, 1998; Reimann et al., 2010). Similarly, appearance perception has a significant effect on brand experience. As explained in brand experience literature, the quality of the brand design identical with color, form, and proportion, which is forming positive feelings (Lee et al., 2011; Moreira et al., 2017). In this case, appearance contributes to consumer-based brand experiences. Because of appearance as aesthetic aspects, it has become brand stimuli that support consumer-based brand experience (Brakus et al., 2009; Ebrahim et al., 2016; Holbrook and Hirschman, 1982). Consistent with prior studies, brand aesthetics enhance consumers' senses and also positively impact the responses of consumers' experience (Hultén, 2011; Gentile et al., 2007; Schmitt, 1999).

Furthermore, brand experience has a significant effect on brand preference. This indicates that positive brand experience can increase consumer-based brand preference. As discussed in the prior literature, brand experience helps capture the emotional, sensory, social, pragmatic, intellectual, lifestyle and behavioral aspects of the brand (Brakus et al., 2009). Through such interactive experience, consumer will create preferences and buying decisions (Brakus et al., 2009; Chang and Chieng, 2006; Moreira et al., 2017; Schmitt, 1999; Gentile et al., 2007). Moreover, brand preference and brand experience have a significant effect on repurchase intention. This means that if consumers like the product and have interesting experience on the product, it will increase consumers repurchase, because their preference and consumers' experience on the brand are a sustainable idea that represent irrational aspects from consumer who interact with brand and go beyond the assumptions of limited rationality. This will then create consumers' great desire to purchase without thinking rationally (see, Ebrahim et al., 2016).

## 5.2. Mediating effect

The results of this study extend the role of preference from consumers' motivated intention to repeat actions. In addition, this finding also explains the mediating effect of consumer-based brand preference on the link between brand experience and consumer repurchase intention and enhances new understandings. The first is indicating that consumers' decision to intention to rebuy or repeat experience will not arise unless its consequences of positive experiences on the brands. Thus, brand preference is an evaluation of consumers' experience, by interpreting their desired brand to repeat the experience related to rebuy of the product brand. The findings of the study are confirmed by Ebrahim et al. (2016) who believe that brand preference is a mediator between brand experience and repurchase intention.

Next, brand experience mediates the relationship between price perception and brand preference. This means that product prices contribute to the creation of consumers' experiences and their willingness to pay higher prices for brand preferences that they consider to have a high value. This is confirmed by Ebrahim et al. (2016) who argue that appearance perception has a significant positive effect on brand preference through brand experience. The finding is in line with most of the previous research (e.g. Chitturi et al., 2008; Ebrahim et al., 2016; Lee et al., 2011) showing the hedonic attributes i.e., appearance or aesthetic design, determine the responses of consumer experience, and also the visualization of brands generate their positive attitudes towards the brands and increases their preferences (Lee et al., 2009; Veryzer, 1993). In sum, brand experience is an important mediating role in explaining the link between price perception and consumer-based brand preference.

## 6. Concluding remarks

Based on the discussion above, consumer-based brand experience and brand preference have important roles in explaining the link between price perception and repurchase intention. To confirm the relationship between appearance and repurchase intention. It is concluded that to get consumer preference needs to provide adequate brand equity meaning. The implication of the study, the results of this study will enable SME managers to develop brand experience strategies by placing, building, and instilling an understanding of the brand in the consumers' sense and minds, thereby aligning customer-based brand experience. The findings will enable SMEs to shape brand uniqueness in the consumers' sense and minds, determining good price strategies, positioning of the brand, forming of brand image or reputation, and determining target consumers. Furthermore, SMEs will be able to involve marketing experience in process business by creating a consumers-based brand experience and brand preference.

### 6.1. Limitation and recommendation of the study

The study also has some limitations in explicating the research proposed and validated the findings of the study. Based on the research proposed, this study is focused on millennial consumer-based brand experience and preference assessment. As explained in the previous studies, this generation is not loyal to a single product or brand as the previous generations (Soares et al., 2017; Wolfe, 2004), thus it needs to compare cross-generation to provide comprehensive insight related to brand assessment. In addition, future study is suggested to consider other antecedents of brand experience and brand preference. For example, perceived risk, trust in a brand, and others. Interestingly, this study focuses on SMEs product, for the future is necessary to consider extant vary of product in manufacturing SMEs with multigroup analysis approach.

In addition, the findings of this research are inadequate to represent brand assessment in emerging countries. Thus, suggesting future research to investigate the model in various emerging countries with a larger population. Moreover, this study discusses only one type of product, i.e. food products; therefore, future research can discuss other categories of products such as food and beverages to support the findings of this research.

## Declarations

### Author contribution statement

P. Susanto: Performed the experiments; Analyzed and interpreted the data; Wrote the paper.

Y. Yasri: Conceived and designed the experiments; Performed the experiments; Wrote the paper.

M.E. Hoque: Analyzed and interpreted the data; Wrote the paper.

M.G. Ayu: Contributed reagents, materials, analysis tools or data; Wrote the paper.

### Funding statement

Y. Yasri was supported by Universitas Negeri Padang.

### Declaration of interests statement

The authors declare no conflict of interest.

### Additional information

No additional information is available for this paper.

## Appendix 1. Assessment of normality (Group number 1)

Variable	min	max	skew	c.r.	kurtosis	c.r.
RPI2	1.000	5.000	-0.123	-0.772	0.211	0.663
RPI1	1.000	5.000	0.069	0.432	0.720	2.261
BE2	1.000	5.000	0.018	0.113	0.103	0.325
BE3	1.000	5.000	-0.303	-1.903	0.368	1.156
BE4	1.000	5.000	-0.247	-1.554	0.121	0.380
AP1	1.000	5.000	-0.452	-2.510	0.241	0.757
AP2	1.000	5.000	-0.252	-1.585	-0.184	-0.578
AP3	1.000	5.000	-0.209	-1.312	0.301	0.947
BP3	1.000	5.000	0.142	0.893	0.368	1.157
BP2	1.000	5.000	0.456	2.265	0.814	2.558
BP1	1.000	5.000	0.418	2.124	0.598	1.880
PI3	1.000	5.000	-0.439	-2.262	0.637	2.002
PI2	2.000	5.000	0.082	0.514	-0.247	-0.776
PI1	1.000	5.000	0.005	0.032	0.032	0.102
Multivariate					38.539	14.015

## References

- Alamro, A., Rowley, J., 2011. Brand strategies of Jordanian telecommunications service providers. *J. Brand Manag.* 18 (4-5), 329–348.
- Alford, B.L., Biswas, A., 2002. The effects of discount level, price consciousness and sale proneness on consumers' price perception and behavioral intention. *J. Bus. Res.* 55 (9), 775–783.
- Anderson, J.C., Gerbing, D.W., 1988. Structural equation modeling in practice: a review and recommended two-step approach. *Psychol. Bull.* 103 (3), 411.
- Arruda-Filho, E.J.M., Simões, J.D.S., De Muijder, C.F., 2020. The low effect of perceived risk in the relation between hedonic values and purchase intention. *J. Market. Manag.* 36 (1-2), 128–148.
- Bagozzi, R.P., 1982. A field investigation of causal relations among cognitions, affect, intentions, and behavior. *J. Market. Res.* 19 (4), 562–584.
- Bagozzi, R.P., 1983. A holistic methodology for modeling consumer response to innovation. *Oper. Res.* 31 (1), 128–176.
- Baron, R.M., Kenny, D.A., 1986. The moderator–mediator variable distinction in social psychological research: conceptual, strategic, and statistical considerations. *J. Pers. Soc. Psychol.* 51 (6), 1173.
- Barska, A., 2018. Millennial consumers in the convenience food market. *Management* 22 (1), 251–264.
- Barska, A., Wojciech, M., 2014. Innovations of the food products from the perspective of the Gen Y consumers. *Acta Scientiarum Polonorum. Oeconomia* 13 (3), 17–27.
- Bass, F.M., Talarzyk, W.W., 1972. An attitude model for the study of brand preference. *J. Market. Res.* 9 (1), 93–96.
- Bellman, L.M., Teich, I., Clark, S.D., 2009. Fashion accessory buying intentions among female millennials. *Rev. Bus.* 30 (1), 46–57.
- Bento, M., Martinez, L.M., Martinez, L.F., 2018. Brand engagement and search for brands on social media: comparing Generations X and Y in Portugal. *J. Retailing Consum. Serv.* 43, 234–241.
- Bilgihan, A., 2016. Gen Y customer loyalty in online shopping: an integrated model of trust, user experience and branding. *Comput. Hum. Behav.* 61, 103–113.
- Brakus, J.J., Schmitt, B.H., Zarantonello, L., 2009. Brand experience: what is it? How is it measured? Does it affect loyalty? *J. Market.* 73 (3), 52–68.
- Carbone, L.P., 2004. Clued in: How to Keep Customers Coming Back Again and Again. Prentice-Hall, Upper Saddle River, NJ.
- Casidy, R., Nyadzayo, M.W., Mohan, M., Brown, B., 2018. The relative influence of functional versus imagery beliefs on brand sensitivity in B2B professional services. *Ind. Market. Manag.* (72), 26–36.
- Chang, P.L., Chieng, M.H., 2006. Building consumer–brand relationship: a cross-cultural experiential view. *Psychol. Market.* 23 (11), 927–959.
- Chitturi, R., Raghunathan, R., Mahajan, V., 2008. Delight by design: the role of hedonic versus utilitarian benefits. *J. Market.* 72 (3), 48–63.
- Creusen, M.E., Schoormans, J.P., 2005. The different roles of product appearance in consumer choice. *J. Prod. Innovat. Manag.* 22 (1), 63–81.
- Culiberg, B., Mihelić, K.K., 2016. Three ethical frames of reference: insights into Millennials' ethical judgements and intentions in the workplace. *Bus. Ethics Eur. Rev.* 25 (1), 94–111.
- Decker, R., Trusov, M., 2010. Estimating aggregate consumer preferences from online product reviews. *Int. J. Res. Market.* 27 (4), 293–307.
- Deloitte, B., 2014. *Global Human Capital Trends 2014: Engaging The 21st century Workforce*. Deloitte Consulting, L. L. P. Deloitte University Press.
- Diallo, M.F., Siqueira Jr., J.R., 2017. How previous positive experiences with store brands affect purchase intention in emerging countries. *Int. Market. Rev.* 34 (4), 536–558.
- Ebrahim, R., Ghoneim, A., Irani, Z., Fan, Y., 2016. A brand preference and repurchase intention model: the role of consumer experience. *J. Market. Manag.* 32 (13-14), 1230–1259.
- Erdem, T., Zhao, Y., Valenzuela, A., 2004. Performance of store brands: a cross-country analysis of consumer store-brand preferences, perceptions, and risk. *J. Market. Res.* 41 (1), 86–100.
- Farris, R., Chong, F., Danning, D., 2002. Generation Y: purchasing power and implications for marketing. *Acad. Market. Stud. J.* 6 (1-2), 89.
- Ferreira, C., Pinto-Gouveia, J., Duarte, C., 2013. Self-compassion in the face of shame and body image dissatisfaction: implications for eating disorders. *Eat. Behav.* 14 (2), 207–210.
- Fishbein, M., 1965. A consideration of beliefs, attitudes, and their relationships. *Current Stud. Soc. Psychol.* 107–120.
- Gentile, C., Spiller, N., Noci, G., 2007. How to sustain the customer experience: an overview of experience components that co-create value with the customer. *Eur. Manag. J.* 25 (5), 395–410.
- Giovannini, S., Xu, Y., Thomas, J., 2015. Luxury fashion consumption and Generation Y consumers. *J. Fash. Mark. Manag.* 19 (1), 22–40.
- Hair, J.F., Gabriel, M., Patel, V., 2014. AMOS covariance-based structural equation modeling (CB-SEM): guidelines on its application as a marketing research tool. *Brazilian J. Marketing* 13 (2), 44–55.
- Havlena, W.J., Holbrook, M.B., 1986. The varieties of consumption experience: comparing two typologies of emotion in consumer behavior. *J. Consum. Res.* 13 (3), 394–404.
- Hellier, P.K., Geursen, G.M., Carr, R.A., Rickard, J.A., 2003. Customer repurchase intention. *Eur. J. Market.* 37 (11/12), 1762–1800.
- Holbrook, M.B., 2007. Book reviews: the consumption experience—something new, something old, something borrowed, something sold: Part 4. *J. Macromarketing* 27 (3), 303–319.
- Holbrook, M.B., Hirschman, E.C., 1982. The experiential aspects of consumption: consumer fantasies, feelings, and fun. *J. Consum. Res.* 9 (2), 132–140.
- Huang, Y.C., Liu, C.H., 2020. Buffering Effects of Brand Perception to Behavioural Intention-Evidence of China Airlines. *Research in Transportation Business & Management*, p. 100468.
- Hultén, B., 2011. Sensory marketing: the multi-sensory brand-experience concept. *Eur. Bus. Rev.* 23 (3), 256–273.
- Hume, M., Mort, G.S., Winzar, H., 2007. Exploring repurchase intention in a performing arts context: who comes? and why do they come back? *Int. J. Nonprofit Voluntary Sect. Mark.* 12 (2), 135–148.
- Hwang, J., Chung, J.E., 2019. What drives consumers to certain retailers for organic food purchase: the role of fit for consumers' retail store preference. *J. Retailing Consum. Serv.* 47, 293–306.
- Ibzan, E., Balarabe, F., Jakada, B., 2016. Consumer satisfaction and repurchase intentions. *Develop. Countr. Stud.* 6 (2), 96–100.
- Joy, A., Wang, J.J., Chan, T.S., Sherry Jr., J.F., Cui, G., 2014. M (Art) worlds: consumer perceptions of how luxury brand stores become art institutions. *J. Retailing* 90 (3), 347–364.
- Keller, K.L., 2003. Brand synthesis: the multidimensionality of brand knowledge. *J. Consum. Res.* 29 (4), 595–600.

- Kim, Y.E., Yang, H.C., 2020. The effects of perceived satisfaction level of high-involvement product choice attribute of Millennial generation on repurchase intention: moderating effect of gender difference. *J. Asian Finance, Econ. Bus.* 7 (1), 131–140.
- Kline, R.B., 2015. *Principles and Practice of Structural Equation Modeling*. Guilford publications.
- Krbová, P.K., 2016. Generation Y attitudes towards shopping: a comparison of the Czech Republic and Slovakia. *J. Competitiveness* 8 (1), 38–54.
- Kronrod, A., Huber, J., 2019. Ad wearout wearout: how time can reverse the negative effect of frequent advertising repetition on brand preference. *Int. J. Res. Market.* 36 (2), 306–324.
- Ladhari, R., Gonthier, J., Lajante, M., 2019. Generation Y and online fashion shopping: orientations and profiles. *J. Retailing Consum. Serv.* 48, 113–121.
- Lee, R., Murphy, J., Swilley, E., 2009. The moderating influence of hedonic consumption in an extended theory of planned behaviour. *Serv. Ind. J.* 29 (4), 539–555.
- Lee, S., Ha, S., Widdows, R., 2011. Consumer responses to high-technology products: product attributes, cognition, and emotions. *J. Bus. Res.* 64 (11), 1195–1200.
- Lichtenstein, D.R., Ridgway, N.M., Netemeyer, R.G., 1993. Price perceptions and consumer shopping behavior: a field study. *J. Market. Res.* 30 (2), 234–245.
- Liu, C.H.S., Lee, T., 2016. Service quality and price perception of service: influence on word-of-mouth and revisit intention. *J. Air Transport. Manag.* 52, 42–54.
- Melewar, T.C., Lim, L.L., Petruzzellis, L., 2010. Mobile phone choice: technology versus marketing. The brand effect in the Italian market. *Eur. J. Market.* 44 (5), 610–634.
- Moreira, A.C., Fortes, N., Santiago, R., 2017. Influence of sensory stimuli on brand experience, brand equity and purchase intention. *J. Bus. Econ. Manag.* 18 (1), 68–83.
- Muthitharoen, A., Palvia, P.C., Grover, V., 2011. Building a model of technology preference: the case of channel choices. *Decis. Sci. J.* 42 (1), 205–237.
- Peng, N., Chen, A., 2019. Examining consumers' luxury hotel stay repurchase intentions-incorporating a luxury hotel brand attachment variable into a luxury consumption value model. *Int. J. Contemp. Hospit. Manag.* 31 (3), 1348–1366.
- Petrick, J.F., 2002. Development of a multi-dimensional scale for measuring the perceived value of a service. *J. Leisure Res.* 34 (2), 119–134.
- Petrick, J.F., 2004. The roles of quality, value, and satisfaction in predicting cruise passengers' behavioral intentions. *J. Trav. Res.* 42 (4), 397–407.
- Petruzzellis, L., Romanazzi, S., 2010. Educational value: how students choose university. *Int. J. Educ. Manag.* 24 (2), 139–158.
- Peyrot, M., Van Doren, D., 1994. Effect of a class action suit on consumer repurchase intentions. *J. Consum. Aff.* 28 (2), 361–379.
- Pine, B.J., Gilmore, J.H., 1998. Welcome to the experience economy. *Harv. Bus. Rev.* 76, 97–105.
- Puccinelli, N.M., Goodstein, R.C., Grewal, D., Price, R., Raghubir, P., Stewart, D., 2009. Customer experience management in retailing: understanding the buying process. *J. Retailing* 85 (1), 15–30.
- Rageh Ismail, A., 2010. *Investigating British Customers' Experience to Maximize Brand Loyalty within the Context of Tourism in Egypt: Netnography & Structural Modelling Approach*. Doctoral Dissertation. Brunel University Brunel Business School.
- Reimann, M., Zaichkowsky, J., Neuhaus, C., Bender, T., Weber, B., 2010. Aesthetic package design: a behavioral, neural, and psychological investigation. *J. Consum. Psychol.* 20 (4), 431–441.
- Reisman, R., Payne, A., Frow, P., 2019. Pricing in consumer digital markets: a dynamic framework. *Australas. Market J.* 27 (3), 139–148.
- Schmitt, B., 1999. Experiential marketing. *J. Market. Manag.* 15 (1-3), 53–67.
- Schoenfelder, J., Harris, P., 2004. High-tech corporate branding: lessons for market research in the next decade. *Qualitative Market Res.* 7 (2), 91–99.
- Sheng, M.L., Teo, T.S., 2012. Product attributes and brand equity in the mobile domain: the mediating role of customer experience. *Int. J. Inf. Manag.* 32 (2), 139–146.
- Sillman, A., McCaffrey, C.R., Peterson, E.R., 2016. **Where Are the Global Millennials?** Retrieved from. [http://www.atkearney.co.uk/paper//asset\\_publisher/dv xv4Hz2h8bS/content/id/8693136](http://www.atkearney.co.uk/paper//asset_publisher/dv xv4Hz2h8bS/content/id/8693136).
- Soares, R.R., Zhang, T.T.C., Proença, J.F., Kandampully, J., 2017. Why are Generation Y consumers the most likely to complain and repurchase? *J. Service Manag.* 28 (3), 520–540.
- Tabachnick, B.G., Fidell, L.S., Ullman, J.B., 2007. *Using Multivariate Statistics*. Pearson, Boston, MA.
- Trivedi, S.K., Yadav, M., 2020. Repurchase intentions in Y generation: mediation of trust and e-satisfaction. *Market. Intell. Plann.* 38 (4), 401–415.
- Tynan, C., McKechnie, S., 2009. Experience marketing: a review and reassessment. *J. Market. Manag.* 25 (5-6), 501–517.
- Verhoef, P.C., Lemon, K.N., Parasuraman, A., Roggeveen, A., Tsiros, M., Schlesinger, L.A., 2009. Customer experience creation: determinants, dynamics and management strategies. *J. Retailing* 85 (1), 31–41.
- Veryzer Jr., R.W., Hutchinson, J.W., 1998. The influence of unity and prototypicality on aesthetic responses to new product designs. *J. Consum. Res.* 24 (4), 374–394.
- Wolfe, D., 2004. **It's a Myth: Boomers Did Not lead the Charge for Change in the 1960s**. Retrieved from. [https://agelessmarketing.typepad.com/ageless\\_marketing/2004/09/historical\\_exam.html](https://agelessmarketing.typepad.com/ageless_marketing/2004/09/historical_exam.html).
- Zeithaml, V.A., 1988. Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. *J. Market.* 52 (3), 2–22.
- Zha, D., Melewar, T.C., Foroudi, P., Jin, Z., 2020. An assessment of brand experience knowledge literature: using bibliometric data to identify future research direction. *Int. J. Manag. Rev.* 1–31.
- Zhang, Y., Fang, Y., Wei, K.K., Ramsey, E., McCole, P., Chen, H., 2011. Repurchase intention in B2C e-commerce—a relationship quality perspective. *Inf. Manag.* 48 (6), 192–200.